

WOLSELEY HUGHES
From Glasgow to Georgia
we're growing from strength to strength
Major distributors of heavy and plant machinery in U.K. and U.S.A. Farm machinery, Engineering, Trucks

FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT
No. 29,804 Saturday April 20 1985 ***35p

G. W. Joynson & Co. Limited
Brokers since 1890
Futures brokers for the 1980's
Call Mark King on 01-480 6921
14 Trinity Square London EC3N 4ES Tel: 88346

Investment advice for basic rate taxpayers

Plagued by the British climate

UK FURNITURE INDUSTRY Why the worst may be over
THE BID FOR CBS A maverick takes his biggest gamble yet

Greece prepares for a Spanish-style invasion

In search of the traditional look

WORLD NEWS

Teachers win new offer on pay

Employers in the teachers' pay dispute in England and Wales yesterday shifted ground, offering to approach the Government jointly with the unions to ask for more money.

They had previously said their 4 per cent offer was final and that arbitration or talks on a revised contract were the only alternative.

The move is seen as a victory for the Labour-controlled Association of Metropolitan Authorities over the Tory-led Association of County Councils. Back Page

Reagan to visit Belsen

President Reagan is to visit Bergen-Belsen former Nazi concentration camp, Bonn said. He was criticised by Jews for saying dead German soldiers were as much victims of Nazism as camp inmates. Page 2

China to reduce army

China is to cut the People's Liberation Army by 1m troops, to about 3.2m, Communist Party leader Hu Yaobang said. Page 2

Polish appeal begins

A Polish court began hearing an appeal by four government security men convicted of murdering dissident priest Father Jerzy Popieluszko.

Civil Service under fire

Britain was being run by the Civil Service, which believed in conformity with the U.S., rather than elected politicians, MP Enoch Powell said.

BBC apologises

The BBC apologised to Roman Catholics for not televising the Pope's Easter message and said it would do so in future years.

Cancer inquest ruling

A Penance inquest jury ruled that a former serviceman who died of a rare form of cancer 26 years after witnessing an H-bomb test died of natural causes.

Postal dispute talks

Talks aimed at settling the dispute which has disrupted postal services in the Midlands, North-West and South-East began in London last night. Earlier story, Page 5

Defeat for Contras' aid

President Reagan accepted defeat on his latest bid to supply aid to anti-government "Contra" rebels in Nicaragua. Page 2

Pact to be renewed

Warsaw Pact leaders, meeting in Warsaw next week, will renew the alliance for 20 years, East German leader Erich Honecker said. Page 2

Karachi death toll at 40

The death toll after four days of fighting between Karachi residents and migrant labourers rose to 40.

Student success

Four sixth-formers from Ripon Grammar School, N Yorks, beat teams of managers from BP and Hewlett Packard in a competition on running the British economy.

Crash hour

Moscow's public transport system is so inadequate that at peak periods some buses carry 10 people per square yard, a Moscow newspaper reported.

BUSINESS SUMMARY

Britoil to buy onshore stakes

BRITOIIL, the UK's biggest independent oil company, is to make its first move into onshore exploration in Britain.

It is paying £27m for the UK assets of Hudson Petroleum International, a subsidiary of Hudson Petroleum Corporation of the U.S. Back Page

EQUITIES, unsettled by the latest Retail Price Index and concern over a possible world economy slowdown, suffered

their largest fall for more than a fortnight. FT Ordinary Share Index closed 12.7 down at 978.8, up 11 points on the week. Page 26

DEFENCE Secretary Michael Heseltine appointed Colin Chazdler, marketing director of British Aerospace's aircraft division, to head the Defence Sales Organisation. Back Page

GHANA further devalued the cedi by 5.6 per cent, bringing it from 50 to 53 to the dollar and unveiled a budget calling for a 76 per cent rise in Government spending.

THE FIRST multi-year rescheduling of a country's debts should be complete soon when governments agree terms for Ecuador, Nigel Lawson, the Chancellor, said in Washington. Page 2

SOVIET official economic figures for the first quarter of this year showed oil production down at 147m tonnes from 153m tonnes and lower coal, steel and timber output.

LONDON Gold Futures Market's loan stock holders agreed that the company should go into voluntary liquidation; the market is expected to close at the end of June. Page 4

TRUSTEE Savings Bank is considering how to salvage the company's flotation on the Stock Exchange after a Lords amendment this week excluded TSB Scotland from the proposal. Page 3

BRITISH CALEDONIAN urged the Government to enable immediate development of Stansted airport and to remove limits to air transport movement at Heathrow. Page 4

SAMSUNG of South Korea is to supply automotive components to Chrysler Corporation of the U.S. after the formation of a joint venture company. Page 23

COMALCO, Australian aluminium group, is raising A\$124.6m (£65.2m) through a rights issue to help repay loans; it also has a £100m (£50m) loan from Australia, fellow aluminium group, produced lower first quarter net earnings of A\$6.9m against A\$7.8m. Page 23

Wm. LOW group of supermarkets and freezer centres announced a 15m rights issue and a 23.6 per cent rise in taxable profits to £2.88m for the 28 weeks to March 16. Page 22

NatWest and Lloyds cut cost of borrowing

BY PHILIP STEPHENS

THE COST of borrowing fell again yesterday as National Westminster and Lloyds cut their base lending rates by 1 percentage point to 12 1/2 per cent in response to sterling's strength on foreign exchange markets.

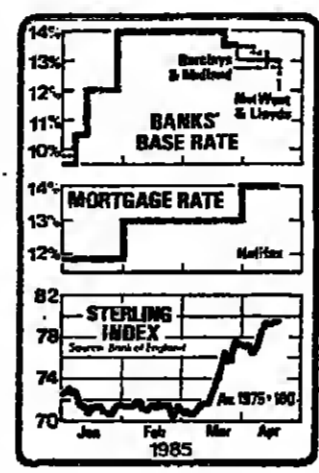
The move was endorsed by the Bank of England which lowered its dealing rates in the money markets by the same 1 percentage point, but the Bank gave a firm signal that it did not want borrowing costs to fall any further for the time being.

Barclays and Midland, the two other main clearing banks which lowered their base rates to 12 1/2 per cent last week, indicated they would review the situation early next week.

There was speculation they would soon consolidate their rates at 12 1/2 per cent, although there was also a suggestion they could decide to wait until the authorities sanctioned a cut to perhaps 12 1/4 per cent.

The building societies welcomed the fall in rates which, they said, should help to improve their competitiveness.

Mr Herbert Waldoe, chairman of the Building Societies' Association, pointed out, however, that any cut in mortgage



rates would depend on a recovery in the societies' inflows from investors.

The societies lagged behind the banks in pushing up their rates earlier in the year, and an early cut in mortgage charges may depend on base rates falling again before the next meeting of the association on May 10.

The decision by National Westminster and Lloyds and a number of smaller banks to move yesterday followed the

shump in the dollar's value on Thursday in response to figures showing a sharp slowdown in U.S. growth in the first quarter of this year.

The dollar's misfortunes and the attraction for investors of high UK interest rates have been largely responsible for a 9 per cent appreciation in the pound's overall value as measured by the Bank of England's sterling index since the time of last month's Budget.

Base rates have come down in parallel from 14 per cent.

Yesterday there were initial hopes that National Westminster might cut its base rate by a full percentage point, but the Bank of England remains strongly against too rapid a fall.

As well as its concern over the current volatility of markets, which might mean a steep fall in rates would have to be reversed if sentiment changed, the Bank remains keen to secure firmer control of the money supply.

In particular, it believes a period of high interest rates is needed to squeeze credit demand.

Continued on Back Page

Inflation rate increases sharply

BY PHILIP STEPHENS

BRITAIN'S annual inflation rate rose sharply last month to 6.1 per cent — the highest level since November 1982. A further increase is expected in April.

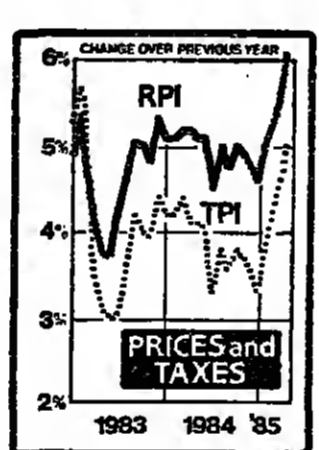
The 0.9 per cent rise in retail prices in March, which took the inflation rate up from 5.4 per cent the previous month, was termed disappointing by the Government.

Figures released by the Department of Employment show that the movement was largely because of higher prices for petrol, seasonal food, mortgage payments and clothing.

That in turn partly reflected the sharp depreciation in the pound's value early in the year, which pushed up interest rates and led to higher oil and import prices.

Mr Tom King, Employment Secretary, said the rise, which had been forecast in the Budget, had come sooner than expected. He remained confident, however, that inflation would fall back to an annual 5 per cent at the end of the year.

Mr King conceded that an additional rise in the mortgage rate and increases in prices resulting from the Budget were likely to mean that the inflation



rate would rise again this month.

City economists were forecasting that it may peak at closer to 6.5 per cent than the 6 per cent forecast by the Government, before the pound's recovery pushes it down again.

Yesterday's figures drew strong criticism from opposition parties, particularly in the light of the Prime Minister's recent statement that 3 per cent inflation was a "realistic target" over the next two or three years.

Mr Roy Hattersley, Labour

shadow chancellor, said the Government's economic policies were now in total disarray.

The inflationary impact of sterling's decline — which has been reflected in a steep rise in import prices — undermined the Government's concern to defend the pound by raising interest rates early in the year.

Paradoxically, the immediate impact was to push up the retail price index because of increased mortgage payments.

The Government's main concern now is to ensure that the rise in inflation is seen as a temporary blip and that it does not feed through into higher wage demands.

Britain's unit wage costs have recently been increasing much faster than those of its competitors, and a rise in the level of pay awards would further boost inflationary pressures.

The retail price index stood at 366.1 in March (Jan. 1974=100) compared with 362.7 in February. The tax and price index, which measures the effect of both inflation and taxes on incomes, was at 188.4 in March (Jan. 1978=100) — 5 per cent higher than a year earlier.

Investment pattern change. Page 3

Botha gives hint of curbs on UDF

BY TONY ROBINSON IN JOHANNESBURG

MR P. W. BOTHA, South Africa's President, yesterday launched his fiercest attack yet on the United Democratic Front, the multi-racial anti-apartheid group, and said the country was threatened by "a racist escalation of the revolutionary climate."

In a statement to parliament, Mr Botha accused the UDF of becoming "an internal extension of the banned African National Congress and the South African Communist Party."

He added: "The process of politicisation and mobilisation, in which the UDF has an especially important role and which takes place in a still deteriorating economic situation, has attained such proportions that the potential for extensive nationwide violent disturbances has increased markedly."

"They hope in this way to create a spiral of increasing violence which will culminate in revolution."

By linking the UDF to banned organisations in this way, Mr Botha appeared to be hinting at moves to further curtail UDF activities or to have the organisation outlawed.

Over 40 UDF leaders are awaiting trial on treason charges.

Mr Botha accompanied his attacks on the UDF with concessions granting full freehold rights to urban blacks, who hold 89-year leasehold rights, and with a proposal to establish "black authorities above local level with much more power."

He also referred obliquely to blacks who had been deprived of their South African citizenship by being made citizens of homelands and hinted at further changes. "The loss of South African citizenship is not the necessary consequence of the independence of homelands," he said.

Mr Botha issued an invitation to the leaders of other political parties to join the special Cabinet committee on black constitutional affairs, to form the nucleus of a negotiating forum with black leaders.

The leader of the white opposition Progressive Federal Party yesterday accepted the President's offer but several Asian and black anti-apartheid groups dismissed it as "meaningless."

Mr Botha's attack on the UDF took place against the background of further serious deterioration in the security situation after the burning alive of a white motorist. The man was dragged from his car by a crowd of black youths in the white part of Uitenhage in the Eastern Cape on Thursday night.

Serious outbreaks of arson and stone-throwing were reported from the black townships of Soweto and Alexandra, close to Johannesburg.

Foreign Ministers of the Non-aligned Movement, meeting in New Delhi, yesterday urged world leaders and the United Nations to reject South Africa's attempts to set up a "puppet regime" in Namibia.

Blue-collar workers and white-collar staff will have the same conditions, including a 38-hour basic week. That is normal for manual workers, but above the 37 1/2-hour average for staff. The 450m plant will provide 400 to 500 jobs next year, assembling kits imported from Japan. This could rise to 2,700 by 1991 if the company decides to invest \$300m.

Nissan is recruiting 40 blue-collar "leaders," or chargehands. It is offering a salary of £7,500 a year, and has had 900 applications.

They will be sent to Japan for training, as will 22 supervisors already recruited on £12,500 a year. Production line workers will be recruited in October or November.

Booker beats off £357m takeover bid from Dee

BY ALEXANDER NICOLL

BOOKER McConnell, the food distribution and agricultural and health products group, emerged triumphant yesterday from a 10-month battle to retain its independence. A £357m takeover bid from Dee Corporation, the Gateway supermarkets group, failed to win control of Booker.

By the close of its all-paper offer, Dee had won acceptance from holders of 18.7 per cent of Booker's equity, giving it command of a total of 32.5 per cent including shares already owned.

The offer lapsed, and Dee would say nothing last night about plans for its 15.8 per cent stake in Booker. At Booker's closing price yesterday, down 19p at 248p, Dee stands to make a substantial profit on the shares if it were to sell them as its own share price fell 4p to 226p.

Continued on Back Page

Courtaulds to close two plants

BY ROBIN REEVES, WELSH CORRESPONDENT

COURTAULDS textiles group yesterday announced the closure of two plants in Clwyd, North Wales, with the loss of 1,100 jobs.

The company has decided to shut its Greenfield viscose staple fibre and tow plant at Holywell, which employs 305 workers, and its Wrexham acetate yarn facility, which employs 508. It blames long-term declining demand for the output of both plants against a background of worldwide overcapacity. The workers have been given 90 days' notice.

Viscose staple production will be concentrated at the company's Grimshy plant and Wrexham's acetate yarn business is to be shared between Courtaulds plants at Spotton, near Derby, and Little Heath, Coventry.

The closures are another severe blow for Clwyd, which is still trying to recover from Britain's single biggest industrial redundancy — the loss of 8,000 jobs resulting from the end of iron and steel making at British Steel Corporation's

Shotton works — and has an unemployment rate of 18.3 per cent.

Less than a decade ago, Courtaulds employed more than 4,000 in Clwyd. Now it will have just a yarn processing mill at Flint employing 150 people, and a couple of residual operations.

Courtaulds whose total workforce in the UK and overseas fell by 2,000 to 10,000 in the year to March 31, said it would be talking with unions, local authorities and government departments to see what could be done to alleviate the effects of the latest closures. It plans to establish a jobs search and counselling service.

Mr Nicholas Edwards, Welsh Secretary, said he deeply regretted the jobs lost in an area which had been making good progress on rebuilding its economy. But the company had to exercise its commercial judgement.

About £9m, including Government grants, has been invested at Greenfield in the past five years in an attempt to make

the plant internationally competitive.

Mr Tony Sharp, chairman of the economic committee of Delyn Council, the local authority, said he would remain an inquiry into how the money had been spent.

Mr Mervyn Phillips, chief executive of Clwyd County Council, said the council was seeking an urgent meeting with Mr Christopher Hogg, Courtaulds' chairman, to try to delay the closures until new job opportunities had been secured.

Courtaulds said in spite of strenuous efforts to make the plant competitive, including staff reductions within the past year, its losses had risen sharply and were now some £500,000 a month.

Courtaulds' acetate division had also lost money on textile yarns in four of the past five years and losses for 1984-85 were expected to total £2.1m, the company said. It had no option but to try to bring capacity more into line with demand.

Job loss fall forecast, Page 3

MARKETS

DOLLAR

New York lunchtime: DM 2.978
FFr 6.1025
SwFr 3.4765
Y247.375
London: DM 2.973 (2.9645)
FFr 6.08 (6.12)
SwFr 2.4705 (2.4895)
Y247.1 (247.9)
Dollar Index 124.7 (124.0)
Tokyo close Y246.85

U.S. LUNCHEONE RATES

Fed Funds 7 1/8%
3-month Treasury Bill: 7.75%
Long Bond: 100 1/4%
yield: 11.49

GOLD

New York: Comex April latest \$327.6
London: \$327.25 (\$327.25)

STERLING

New York lunchtime \$1.293
DM 3.515 (3.585)
FFr 11.7575 (11.775)
SwFr 3.155 (3.23)
Y319.75 (320.5)
Sterling Index 79.5 (79.6)

LONDON MONEY

3-month interbank: closing rate 12 1/4% (12 1/2%)
3-month eligible bills: buying rate 11 1/4% (11 1/2%)

STOCK INDICES

FT Ord 978.8 (-12.7)
FT-A All Share 625.47 (-0.5%)
FTSE 100 1293.7 (-1.8)
FT-A 100 gilt yield index: High coupon 10.48 (10.46)
New York lunchtime: DJ Ind Av 1,294.24 (-0.89)
Tokyo: Nikkei Dow 12,114.8 (+61.98)

Chief price changes yesterday, Back Page
CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fl 38; Denmark Kr 7.25; France Fr 8.02; West Germany DM 2.25; Italy L 250; Netherlands G 2.50; Norway Kr 6.00; Portugal Esc 50; Spain Ptas 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland Spd; Malta Mls.

CONTENTS

Appointments	26	Gold Markets	25	SE Dealings	27	Building Soc. Rates	21
Arre	17	How in Spread R.	17	Stock Markets	28	SAVINGS OFFERS	
Books	16	Int'l. Co. News	23	Wall Street	24	Saved and Spent	2
Reviews	7	Leads Maps	20	Business	24	Baring Brothers	2
China	7	Letters	20	Travel	15	Swedish Fund Algrs.	5
Collecting	19	Lea	22	TV and Radio	16	Scottish Widows	9
Commodities	22	London Options	22	UK News	16	Sevens and Prospects	9
Company News	22	Index in the News	22	General	2.4	House of Commons	10
Crossword	18	Mining	7	Labour	28	Kruggerands	10
Economic Diary	27	Motorists	11	Unit Trusts	28	M and G	10
European Options	27	Overseas News	2	Year Spawns/Inv.	8.12	Int'l. Co. News	11
Finance and Family	12	Parity	14	Weather	32	Trafalgar Secs.	11
FT Acknowledges	25	Share Information	20, 31	Week in the Markets	6.2	Unit Trusts	12
Foreign Exchange	25	Sport	19	Base Rates	11	Equity and Law	12
Gardening	14						

For London market and interest rate index: 01.246 8004; overseas markets: 01.246 8026

For London market and latest share index, 01-246 8025; overseas markets, 01-246 8036.

£10,008 SCHOOL FEES FOR JUST £3,070

Making one payment for a Save & Prosper School Fees Capital Plan now, can produce considerable savings on future fees. For example, at current rates, £3,070 invested now would secure guaranteed payments totalling £10,008 for five years from 1995.

Furthermore you will have no personal liability to tax in connection with payments from your Plan.

For a free quotation and full details of the Plan, FREEPOST the coupon or phone Jane Livermore on 0708-66966. Alternatively, consult your professional adviser.

SCHOOL FEES CAPITAL PLAN

For Jane Livermore, Save & Prosper, FREEPOST, Norfolk RM1 1LR.

Please send me full details of the Save & Prosper School Fees Capital Plan, and let me know what it would cost now to provide fees, increasing at 7% each year, from September 1991 until July 1995.

Name (Mr/Ms) _____
Address _____
Postcode _____
Telephone (Home) _____ (Business) _____

Amount of first payment £ _____
Number of payments _____
Name of school _____
Address _____
Postcode _____
Telephone (Home) _____ (Business) _____

SAVE & PROSPER

Banks back Ecuador multi-year rescheduling

By Stewart Fleming in Washington

THE FIRST multi-year rescheduling of a developing country's official debts should be completed in the next few days when governments agree to new loan terms for Ecuador, Mr Nigel Lawson, the British Chancellor of the Exchequer, said here yesterday.

The move marks an important step in the evolution of the developing country debt problem and one which will be welcomed by commercial banks and the developing countries.

With the encouragement of creditor governments, commercial banks have endorsed the rescheduling over several years of maturing debt, notably in the case of Mexico. Such a step helps to ease the financial and political tensions surrounding a country's debt problem.

But governments have been criticised for not following suit and rescheduling their debts when a borrower is perceived to be making good progress in improving its economic performance under the terms of an International Monetary Fund adjustment programme.

Governments have, however, been looking for a highly indebted developing country which they could justifiably "reward" for an improved economic performance. At one time Yugoslavia was thought to be a potential candidate, but it is having continued difficulties with the International Monetary Fund.

Commercial banks are now negotiating a \$4.3bn (£3.3bn) multi-year rescheduling with Ecuador which has yet to be signed and some government officials have expressed concern that banks appear to be moving slowly to reschedule the debts of senior borrowers which are not seen as a major credit risk.

The official move on Ecuador will be interpreted therefore as in part designed to pressure the banks to come to terms with the Latin American country. Mr Lawson also indicated that there is greater willingness by industrial country governments to extend export credits to borrowing countries which are making solid efforts to improve their economic performance.

Irish rates reduced

Irish interest rates were reduced by 1.25 per cent from the close of business yesterday. Brendan Keenan reports from Dublin. The new ordinary overdraft rate will be 15 per cent, while the "AAA" rate for most-favoured customers is now 13.5 per cent.

Fury grows over Reagan's German war graves visit

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan has inadvertently unleashed a new wave of Jewish fury over his plans to visit a German war cemetery next month, by claiming that German soldiers buried there were "victims" of the Nazis "just as surely as the victims in the concentration camps."

Far from calming the row, his defence of the proposed wreath-laying ceremony at the Bitburg graveyard on May 5 has only ignited further outrage in the politically-powerful American Jewish community.

"Each time he opens his mouth, he makes it worse," said one Jewish leader yesterday. The U.S. Holocaust Memorial Council, which honoured Holocaust victims at a solemn ceremony in the Capitol on Thursday, accused him of failing to see the difference "between war and genocide."

The outcry has reached the point at which some of Mr Reagan's advisers fear that long-term damage may be done to the Republican cause among Jewish voters.

Two resolutions have now been introduced in the House of Representatives urging him to drop the ceremony, following a similar request by 53 of the 100 Senators.

The affair is now regarded in Washington as an unprecedented mix-up by the usually smooth-running Reagan White House publicity machine.

It is a serious black mark for Mr Donald Reagan, the new White House Chief of Staff, as well as for the outgoing Mr Michael Deaver, the senior aide in charge of preparations for Mr Reagan's May 1-10 European trip.

Mr Reagan, however, feels bound by his pledge to West Germany's Chancellor Helmut Kohl to honour the German war dead, in a public show of reconciliation on the 40th anniversary of the war's end in Europe, and is still insisting that the cemetery visit will go ahead.

To cancel the plan would be "very hurtful" and "leave me looking as if I caved in in the face of some unfavourable attention," he said.

The White House yesterday bitterly complained that Mr Reagan's "victims" remark had been taken out of context. The President said that the cemetery was filled with the graves of young teenagers forced into military service in the closing days of the Third Reich.

After the Bitburg ceremony was arranged, "someone dug up the fact that there are about 30 graves of SS troops" there, he said. "These were the villains, as we know, that conducted the persecutions and all."

"But there are 2,000 graves there, and for most of those buried there, the average age is about 18. I think there's nothing wrong with visiting that cemetery where those young men are victims of Nazism also."

Anger over French film star's 'war spectacular'

By David Marsh in Paris

A lavishly-produced French TV programme, featuring the popular film star M Yves Montand, and designed to show the dangers to Europe of a massive conventional or chemical arms attack from the Soviet Union, yesterday drew strong protests from Moscow's embassy in Paris and from the French Communist Party.

But the 105-minute "war spectacular," in which M Montand came out firmly in favour of the U.S. Star Wars missile defence programme, was given the thumbs down by TV viewers.

According to a television audience poll yesterday, only 3m viewers tuned into the programme. This was half the number who watched his previous TV show on the world economic crisis a year ago, with most French people on Thursday evening preferring the lighter TV fare of a U.S. film with Claudia Cardinale.

M Montand is a craggy-faced father figure who, according to opinion polls, many voters believe should run for the presidency.

He made the film to try to upset the French people's complacency over the ability of the country's nuclear strike force to deter a Russian attack.

The main message centred on the need to build up France's conventional



Montand: film controversy

defences—a move which the Government is already trying to carry out, especially by forming a rapid deployment force which could be used to fight alongside NATO armies in Germany.

The film also urged, more controversially, that France acquire chemical weapons to dissuade the Russians from using their stocks of nerve gas.

The film showed Soviet tanks advancing across West Germany, with European and U.S. leaders prevented from responding with nuclear weapons for fear of sparking off massive Russian atomic retaliation against Western cities.

The film was overblown and simplistic in parts. But the screening of a mock message from President Francois Mitterrand announcing the Soviet attack was realistic enough to send one Paris stockbroker family switching on after the programme had started, to check with alarm whether the news was true.

M Montand, 63, a Marxist in his younger days, is still a Socialist voter but has moved considerably to the Right in recent years. He admitted on TV that he—like many on the Left—including President Mitterrand—had previously opposed France's independent nuclear deterrent but had since changed his mind.

French anti-nuclear groups an almost vanishing element in a country where there is a solid pro-nuclear consensus—have protested against the film's pro-military bias.

Coincidentally, they are due tomorrow to hold a demonstration in Paris to protest against lack of Parliamentary control over decision-making on the nuclear strike force.

The Soviet embassy issued a statement protesting about lack of Government action to censor the programme, which it called a "sordid calumny."

Another spirited attack came from the French Communist daily, L'Humanite, which termed the programme a "hellfire" and "immoral" propaganda operation mounted by the Elysée Palace.

The reaction should not displease M Mitterrand. He has not doubt won popular support from a Gaullist effort over the past two years to underline his commitment to France's nuclear deterrent, which M Charles Hernu, Defence Minister, has taken pains to explain could be used to deter conventional as well as any nuclear attack.

FINANCIAL TIMES, USPS NO 130640, published daily except Sundays and holidays. U.S. subscription rates: \$60.00 per annum. Second-class postage paid at New York, NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 10 East 57th Street, New York, NY 10022.

China plans to cut 1m troops from army by end of next year

BY MARK BAKER IN PEKING

THE CHINESE Communist Party leader, Hu Yaobang, has announced plans to cut 1m troops from the ranks of the People's Liberation Army by the end of next year.

The PLA, which combines all of China's strategic military forces, is estimated to have a total complement of about 4.2m at present.

Hu's announcement, made during his tour of New Zealand, has astonished diplomatic observers.

While the Chinese leader, Deng Xiaoping, announced moves to reduce the bloated and inefficient ranks of the PLA last November, it had not been expected that the cuts would be so substantial and so sudden.

There was speculation among some Western diplomats that Hu a man with a reputation for dramatic pronouncements, may have announced too substantial a figure.

But Hu's announcement has been promptly reported by the official Chinese news agency,

Xinhua, which usually means that a policy statement has the imprimatur of the hierarchy. Hu said in Wellington that China would remove 1m troops from the PLA "this year and the next," and would also continue to make reductions in its conventional arms.

"China will have full capability to defend itself in spite of the intended cut in troop numbers," Xinhua reported him as saying. "The cut has been planned in view of the improved political and economic situation in China."

He denied that China had any intention of developing a military role in the South Pacific.

"World peace and stability are fundamental to China's foreign policy. China wishes to develop friendly relations and co-operation with all countries in the world."

Last November, Deng ordered that surplus military personnel equipment and defence installations be reallocated to help China's economic development programme.

"All branches of the PLA, such as the Air Force, the Navy and the Commission of Science, Technology and National Defence, should consider releasing some of their strength to support the development of the national economy," he told a meeting of the Central Military Commission, the supreme command of the Chinese armed forces, which he heads.

Deng urged the promotion of young and middle-aged officers into some of the top PLA posts, many of which are still held by aged and infirm Long March veterans. But he did not specify how many personnel would be retired or transferred.

Many of China's defence industries have already been swung behind the economic modernisation drive. More than a quarter of the production of military factories last year was in goods for the civilian market.

In recent years, defence factories have built 2.3m bicycles, 1.4m sewing machines, 1.7m washing machines, and 2m electric fans.

Fresh bid to end deadlock over EEC farm prices

BY IVO DAWNAY IN BRUSSELS

A RADICAL plan aimed at unblocking the deadlock over EEC farm prices for the current 1985-86 marketing year is due to be unveiled this weekend to agricultural experts of the Ten.

The proposal, prepared by the Italian presidency working closely with European Commission experts, in effect temporarily removes the key issue of the final level of cereals prices from the negotiation.

Prices for all farm produce should have been set by April 1, but a total refusal by West Germany to sanction the Commission's original proposal of a 3.6 per cent cut in cereals prices has left the talks more blocked than seasoned observers can remember.

All other delegations accept the cut as inevitable after last year's bumper harvest and forecasts of a record 16m tonnes of wheat in Community stores by the end of July.

Some, most notably the UK, favour a small swinging price reduction of 5 per cent, in accordance with rules triggered by the large surpluses.

But Herr Ignaz Kiechle, the West German Farm Minister, has warned he will oppose any deal that means a real reduction in grain prices for his farmers.

Failure to agree a price package has provoked growing anger among EEC farmers who are anxious for a rapid conclusion to the talks in order to plan their strategies for the year.

The compromise plan for cereals involves a radical reworking of the system of guaranteed thresholds or tonnage

ceilings which, if exceeded, should trigger a 1 percentage point cut in guaranteed prices to reach 1m tonnes of surplus production up to a maximum price cut of 5 per cent.

Last year's harvest of more than 140m tonnes was exceeded by the 121.5m-tonne threshold, but even then the Commission paid only a 3.6 per cent price cut in anticipation of German opposition.

The presidency's proposal cleverly fudges the issue by recommending a temporary price reduction from the beginning of the harvest in August by an amount to be negotiated.

Then, three months later when the harvest is gathered in, experts would examine the level of production before assessing how much, if any, of the price cut could be restored.

If output were substantially lower, the Commission could then return all the money withheld on the grounds that the costs of grains to the Community budget would be less than the Ecu2.7bn (£1.8bn) expected this year.

But if, as is much more likely, production is excessive, all or a part of the price reduction will be forfeited. It is not yet clear, however, whether ministers will vote on this, or if the money will be automatically withheld.

Either way, in the short term, the plan has the considerable attraction of allowing Herr Kiechle to tell his farmers that he was not accepting a price reduction for grains. Meanwhile, deals on other sectors in the rest of the package could be completed.

Warsaw Pact summit 'will renew treaty for 20 years'

BY LESLIE COLITT IN EAST BERLIN

LEADERS of the Warsaw Pact will hold a summit meeting in Warsaw on April 26, to renew for 20 years the treaty of the Soviet-led alliance, according to Herr Erich Honecker, the East German leader.

The Warsaw Pact party chiefs, led by Mr Mikhail Gorbachev of the Soviet Union, are likely to issue a declaration aimed at NATO and the Western economic summit conference to be held in Bonn from May 2 to 4.

Of course, we are ready to dissolve the Warsaw Pact if NATO did the same, Herr Honecker said, repeating longstanding Soviet policy.

Herr Honecker hinted the Pact would be automatically extended in the year 2005 for another 10 years, if no objections were raised by any of its members.

The present treaty lapses on June 3, the date when the eighth member, Albania, ratified it. Albania left the Warsaw Pact in 1968 after the Soviet-led invasion of Czechoslovakia.

The East German leader made his remarks in an interview with the Italian press prior to his official visit to Italy next Tuesday, his first since he became a country. He will also have a meeting with Pope John Paul.

Herr Honecker refused to say whether he would visit West Germany this year, after a planned visit last September was called off because of Soviet objections.

But he did note that his "former countrymen in the Saar will be very happy when I go there." Herr Honecker was born in the Saar border area, which reverted to West Germany in 1957, after post-war French rule.

Sudan rebels deny plans for talks in Khartoum

BY MICHAEL HOLMAN IN KHARTOUM

PLANS for direct talks between Sudan's rebel movement in the South and the country's military leaders collapsed in confusion yesterday when rebel spokesmen described reports of the proposed meeting as "utterly baseless."

In a statement broadcast by the Sudan People's Liberation Army over their Ethiopian-based radio service, the movement said that "the SPLA and its leadership will never meet or talk with the present military leadership in Khartoum."

The new administration, the statement continued, "is another form of the regime of ousted President Nimeiri, who arranged the transfer of power to General Saeed al-Mahdi while he was a safe distance abroad."

The denial followed a formal announcement on Thursday by a spokesman for the new administration, saying that direct talks between the rebel leader, Colonel John Garaz, and Gen Abdul-Rahman Saeed al-Mahdi would take place

within 48 hours.

The spokesman yesterday refused any comment or explanation of the apparent reversal.

In its broadcast statement, the SPLA said that the "armed struggle" in the South would continue "until the monopoly of power is taken away from the greedy minority who have ruled our country since formal independence was achieved in 1956."

"Only when all the Sudanese from all regions of Sudan are in control of the birth of their country" will fighting end.

In the initial reaction to this month's coup, the SPLA declared a ceasefire and gave the military regime one week to hand over to a civilian administration. When the week expired last Tuesday, the SPLA announced the resumption of conflict.

Fighting in the south has forced suspension of oil exploration activity in the region and effectively cut off rail, river and road links.

Portuguese meat prices set to fall

THE Portuguese Government has promised consumers that meat and fish prices will drop next month, as the result of plans to liberalise the import and export of food products by reducing state intervention in line with European Community requirements, our Lisbon Correspondent reports.

Sr Mario Soares, the Socialist Prime Minister, has timed the price cuts for a few weeks before he is expected to announce his candidacy in December's presidential elections in the clear hope of reaping political dividends by showing Portugal's entry to the EEC in a positive light.

The Cabinet forecast that meat and fish prices, which have soared over recent months, will drop gradually from May when the Government ends its monopoly over food imports.

Singapore retrial

The Singapore High Court has ordered two leaders of a major opposition party to stand trial again on charges of making false declarations about party funds. Reuter reports from Singapore.

Chief Justice Wee Chong Jin ruled that the district court had erred in dismissing the charges against Joshua Jeyaretnam, Secretary-General of the Workers' Party, and the party chairman, Wong Hong Toy, in December 1983.

ADB growth warning

The Manila-based Asian Development Bank (ADB) reported yesterday that economic growth in developing member-countries fell 0.8 per cent to 5.5 per cent in 1984, and warned that resource constraints could stunt further growth this year. Samuel Senoren reports from Manila.

In its annual report, the ADB said, however, that generally the gross domestic performance of the member countries was still substantially higher than that of other developing nations. "Some had even posted 'significant increases'."

Dutch strikes end

The spate of 24-hour strikes in the Dutch metal industry over the past fortnight ended yesterday when the FNV industrial union reached agreement with employers over shorter working hours, sickness benefits, inflation allowances and youth employment schemes, our Amsterdam Correspondent reports.

The principal demand of the 200,000-strong metal workers' union, which had planned a one-day strike by 4,500 workers at the Dutch plant of Volvo, for shortening the present 38-hour week to 36 hours next year, which they hope will create more jobs.

Swiss trade boost

Switzerland's foreign trade balance has shown a marked improvement in the first quarter, the deficit dropping to under SwFr 2.4bn (£750m) compared with nearly SwFr 2.9bn in the corresponding period of last year, John Wicks reports from Zurich.

Queensland blockade

Australian trade unions yesterday imposed a 24-hour road, air, sea and rail blockade of the north-eastern state of Queensland to protest against anti-strike measures and the sacking of about 950 power workers, union officials said. Reuter reports from Brisbane.

Carrillo sacking

Sr Santiago Carrillo, veteran former leader of the Spanish Communist Party, was stripped yesterday of all executive responsibilities in a move that splits the Communist factions in Spain into two hostile camps, Tom Burns reports from Madrid.

Sr Carrillo was removed from both the central and the executive committees of the party after he failed to accept the current party leadership within a two-week deadline.

SUNDAY AT 5.30:
THE LATEST PROBLEM FACING
THE BRITISH ECONOMY.

Just recently Wall Street has seen the dollar plummet to its lowest level since November.

On Sunday, we'll be examining the wide-ranging implications for business in Britain.

And looking to the longer term, we'll also be reporting on the latest breakthrough

in market research techniques.

Techniques to give you instant feedback on your new, or existing, product development.

Whatever the strength of sterling shouldn't you make it your business to watch?

THE BUSINESS PROGRAMME ON

4

البريد الإلكتروني

Sperry holds up the card to football hooligans

By Jason Crisp

FOOTBALL ENTHUSIASTS at the British subsidiary of Sperry, the U.S. data-processing group, have proposed a plan both to beat hooliganism on the terraces and to sell computer equipment.

Sperry, with Systemsolve, a British software services group, is offering to football clubs a free, computerised membership-card system. A card with the owner's photograph and a magnetic strip would be read by a machine at the turnstile. This could identify anyone blacklisted for hooliganism.

Fans would have to pay £5 a year to register and to obtain an identity card. The price could be cut if many clubs took part in the scheme. The two computer companies plan to spend £250,000 to encourage clubs to join.

Sperry said the scheme would be commercially viable if six total membership of about 250,000. The computer companies would like the Government to press football authorities to install such a system throughout the league.

The Sperry scheme is being backed by Mr Emyr Hughes, the former England captain. Yesterday he said: "If something is going to die at a football match—a player or a fan."

Sperry is talking to several clubs about the scheme, including Millwall which was recently fined £7,500 for its fans' violence at the Luton match. Luton itself is threatening to ban supporters of other teams from its ground.

The Sperry plan would require clubs to issue membership cards and check supporters' identities. The cards are like credit cards but with a picture. The machines which read the cards at the turnstiles store the registration numbers of blacklisted fans likely to attend. It takes about a second for the machine to check the number.

A complete black-list would be stored on a Sperry mainframe computer run by Systemsolve. Data on the two teams' supporters would be sent to the terminals at the ground by telephone before a match.

Software turnover rise put at £370m

By Iver Owen

BRITAIN'S FAST-GROWING computer software industry is estimated to have increased its turnover from £1,750m in 1983, to £3,120m last year, Mr John Butcher, Under Secretary for Industry, told the Commons yesterday.

He welcomed the rapid progress made by the Copyright (Computer Software) Amendment Bill, which is designed to reinforce civil remedies against copyright theft and provides for offenders convicted on indictment up to two years in jail and unlimited fines.

All a private member's bill introduced by Mr William Powell (Con, Corby), who estimates that the activities of copyright pirates cost the industry £150m last year in lost sales and royalties, was given an unopposed third reading.

TSB tries to salvage flotation

By MARK MEREDITH, SCOTTISH CORRESPONDENT

EXECUTIVES of the Trustee Savings Bank are searching for ways to salvage the flotation of the group on the Stock Exchange after an amendment passed in the Lords this week excluded the powerful TSB Scotland from the proposal.

Sir John Read, chairman of the group which includes the four regional TSBs in Britain, yesterday held talks in Edinburgh with Lord Taylor of Gryffe, the SUD peer, whose tabled amendment passed with a majority of 13 on Tuesday and took the TSB by surprise.

At a Press conference after the talks, Sir John rejected the option of an independent Scottish TSB and other proposals to enhance Scottish control. He said he wanted to find an agreement which would save the Bill.

The joint purpose of the TSB group and TSB Scotland is now to develop proposals which will enable the TSB Bill to be progressed in a form which is acceptable, not only to both Houses of Parliament but also to the interests of both the TSB group and TSB Scotland together with its staff and customers, Sir John said.

"The amendment completely

ruins everything. It would be a disaster for TSB Scotland and every other company in the group," he commented.

A third reading of the Bill in the Lords has been postponed and the Government has asked the TSB to sort out the problem. Sir John said he had about a week to come up with some proposals.

The flotation of the TSBs of Scotland, England and Wales, Northern Ireland and the Channel Islands would be one of the largest for the Stock Exchange, raising possibly £1bn.

It is designed to settle the cloudy question of who owns the TSB and would coincide with a formal change of status into a fully fledged bank supervised by the Bank of England.

The TSBs have a special category as savings institutions and report to the Treasury. Apart from condemnations of the proposal by the Scottish National Party, the question of the autonomy of the TSB Scotland has not been a prominent issue north of the border. Compared to the rumpus which accompanied the possible sale of the Royal Bank of Scotland

to outside interests three years ago, the proposal has excited much less interest.

The TSB Scotland, which brings together four Scottish savings banks, has had a head-start over the TSB in England and Wales in developing its new image as a high street retail bank. About one in four Scots has an account with the bank which has assets of £1.3bn.

Some managers in Scotland are privately pleased that the issue of Scottish autonomy has come out, but few see any other way than for the original proposal which would have made all the four regional banks equal partners in a holding company.

Mr Iain MacDonald, Chief General Manager of the TSB Scotland said yesterday: "As far as I am concerned, I want TSB Scotland to be in it. That is important to us. Now, if we can satisfy the concern of the people who are making these noises within the group structure, I think we would all be happy about it."

He said the customers were not so concerned about the issue of independence for the

TSB Scotland. "By and large if you go and ask the customers that question, I don't know if they would be too interested," he said.

Mr MacDonald has always argued that he would have a high degree of autonomy in the group.

Sir John yesterday read out a statement from the TSB central board and board of management of TSB Scotland opposing Lord Taylor's amendment. The statement also had the support of the bank's staff.

"TSB Scotland is already so integrated within the group that it would be extremely difficult and disruptive to separate its operation. In any event, separation would be detrimental to the business prospects of TSB Scotland."

The statement said that the Scottish TSB benefited from common services in the group, that it would be costly to separate, and that some shared services, and that Scotland would benefit from a UK-wide network.

Sir John said one proposal that 49 per cent of the shares of TSB Scotland be sold locally could not ensure that the share would remain in Scotland.

Ministers forecast fall in jobless

By Margaret van Hattem

TWO Cabinet Ministers yesterday forecast that unemployment will start falling before the next General Election—a prediction first made by Mr John Biffen, Leader of the Opposition in parliament on Thursday.

Speaking on BBC Radio Four, Mr Patrick Jenkin, Environment Secretary, said it was only a matter of time before new jobs were increasing faster than the numbers of people entering the labour market.

"I would be very disappointed if that trend were not clear before we next go to the country," he added. Britain, which had already seen the number of employed rise by 613,000 in the last 18 months was one of the few countries in Europe where job numbers were increasing.

Speaking on the same programme, Mr Tom King, Employment Secretary, adopted a more cautious tone. However, he was confident that the "adverse factors" contributing to rising unemployment would decline later this year, leading to a steady rise in jobs and a later gradual easing in the unemployment figures.

The sudden show of budding optimism within the Cabinet on the subject of unemployment is seen by government critics at Westminster as a sign of the Government's discomfort over the all-party alliance of politicians, civil servants, trade unionists and churchmen whose formation, reported earlier this week, is designed to pinpoint the Government's failure to deal adequately with the unemployment problem.

Speaking at the YMCA Great Britain and Ireland conference in Durham yesterday, Dr David Owen, leader of the SDP, said Britain was threatened by an all-pervading sense of complacency over its relative economic decline and high unemployment.

Sharp change seen in investment pattern

By MICHAEL PROWSE

THE PATTERN of institutional investment changed sharply last year according to figures released yesterday by the Central Statistical Office.

Financial institutions reduced their investment in government securities and overseas ordinary shares but put more money into UK ordinary shares, domestic home loans and bank deposits.

In 1984, non-bank institutions bought overseas shares worth only £100m compared with purchases of £2.5bn in 1983 and £3.2bn in 1982.

The figure mainly reflects disinvestment in the second quarter when institutions reduced their holdings by £633m. Overall purchases in the third and fourth quarters were £237m and £52m respectively compared with £376m and £551m in 1983.

The outlook for overseas investment is obscure because, in the fourth quarter, pension funds continued to buy at about

the same rate as in 1983 when other financial institutions continued to reduce their holdings.

In 1984, overall gilt purchases fell by £1.2bn to £2.2bn but the decline reflected lower investment by pension funds and building societies. Long term insurance funds bought nearly 25 per cent more gilts.

All institutions, however, waded into the equity market. Total purchases of UK ordinary shares of £3.7bn were 79 per cent higher than in 1983.

Institutional investment in the fourth quarter did not match the full year pattern. Lending for house buying fell while gilt investment rose mainly because of increased purchases by insurance funds and building societies.

In 1984, the net inflow of funds to non-bank institutions was £35.5bn, up £5.9bn from 1983. The fourth quarter inflow of £9.8bn, however, was only slightly higher than in 1983.

Corporate saving helps boost industry surplus

By MICHAEL PROWSE

THE FINANCIAL surplus of British industry rose by more than 50 per cent last year as corporate saving continued to outpace corporate fixed investment.

Figures published by the Central Statistical Office (CSO) yesterday show that the financial surplus of industrial and commercial companies was £91bn in 1984 up from £61bn in 1983.

The big rise in industry's financial surplus, in spite of a rapid increase in investment, is further evidence of the corporate sector's improving health.

Yesterday's figures show that corporate saving (profits after deductions for tax, dividends and interest) increased by 25 per cent in 1984 compared with a 15 per cent rise in capital expenditure.

Although total investment rose strongly in 1984, spending on stocks and work in progress fell for the fifth year in succession.

In spite of a financial surplus of more than £2bn in the fourth quarter of 1984, the CSO said that corporate borrowing from banks and other sources rose by almost £1bn in the same period and accompanies a £1bn build up in companies' liquid assets.

During 1984 as a whole, in cash terms companies invested a record £44bn abroad and bought a record £21bn in UK company securities.

Lloyd's auditors 'failed to speak out'

By JOHN MOORE, CITY CORRESPONDENT

ACCOUNTANTS specialising in the audit of businesses in the Lloyd's insurance market failed to point out that £100m was plundered from the Lloyd's community, Mr Ian Hay Davison, the market's chief executive said yesterday.

In a scathing attack on accounting practices at Lloyd's, Mr Davison said that the accountants "were not charged with performing an audit to normal accounting standards." "The accountants," he said, "clearly had some knowledge of the matters that were going on although they may not have

fully appreciated their implications." They did not see it as their duty to draw the Lloyd's members' attention to "what was going on."

Had they been larger firms, "or wiser in the affairs of the world, or perhaps more willing to ask fundamental questions then they might have exposed it more quickly. But the fact is, in most cases, they did not."

Mr Davison was speaking at the National Association of Accountants annual conference in Leeds. He said that a few underwriting agents in the Lloyd's market "taking advantage of the lack of adequate

accounting by agents to the members of Lloyd's, had defrauded their syndicate members." They had allowed conflicts of interest to develop and failed to put the interest of their principals, the members, first. "As a result they had extracted secret profits from funds belonging to their members."

Mr Davison said that for a number of reasons there had been a continuing risk, not always avoided, that the Lloyd's "panel" auditors lacked independence from their

clients. "Some kept the books; some were too dependent upon Lloyd's for their fee income; together they formed a small group specialising in an arcane area of accounting work; and the different interests of names (the members of Lloyd's) and their agents were not necessarily adequately reflected in the audit arrangements," he said.

The number of firms on the Lloyd's panel of auditors remained very small. Three firms account for the audit of 62 per cent of the syndicates at Lloyd's, while five firms audit a total of 78 per cent.

Committee may re-form to study Minet problems

By JOHN MOORE, CITY CORRESPONDENT

A STEERING committee of underwriting members on troubled Lloyd's insurance syndicates under the management of interests of Minet Holdings, the large insurance broker, is expected to be formed next week.

The move has been prompted by the possibility that an insurance syndicate, No 918, is facing up to £10m in losses.

Last year a steering committee was formed of underwriting members to consider other problems on the Lloyd's syndicates managed by Minet's interests. It was formed to consider Minet's offer to compensate them for a missing £10m-worth of funds allegedly misappropriated from their insurance syndicates by former Minet underwriting executives.

That committee is expected to re-form next week. Plans

being drafted already to seek an independent audit of Syndicate 918 by accountants Price Waterhouse, to discover the extent of losses.

Following rumours in the market, Minet this week was forced to reveal that substantial provisions would be needed on Syndicates 918, 940 and 157 for the 1983 and 1984 accounts. The losses have arisen on U.S. casualty insurance business.

Last year, when the near-1,500 underwriting members accepted the Minet compensation offer for missing funds, they had to waive legal rights, for further recovery of their money, over to a joint company owned by Alexander Howden and Minet.

The steering committee is to consult lawyers to see whether the agreement to waive legal rights can be repudiated.

Tricycle output resumed

FINANCIAL TIMES REPORTER

PRODUCTION of the Sinclair CE electric tricycle will start again on Monday as scheduled after a three-week break.

Sinclair called a halt to output at the Hoover washing machine factory at Merthyr Tydfil, South Wales, saying that vehicles in stock would have to be modified because of faults

with a plastic component. The company denied that a lack of sales was responsible for the temporary shut-down.

Sinclair yesterday declined to indicate whether it still expects to reach this year's target of 100,000 sales, set when the £289 tricycle was launched in January.

RFA ships to be taken off merchant list

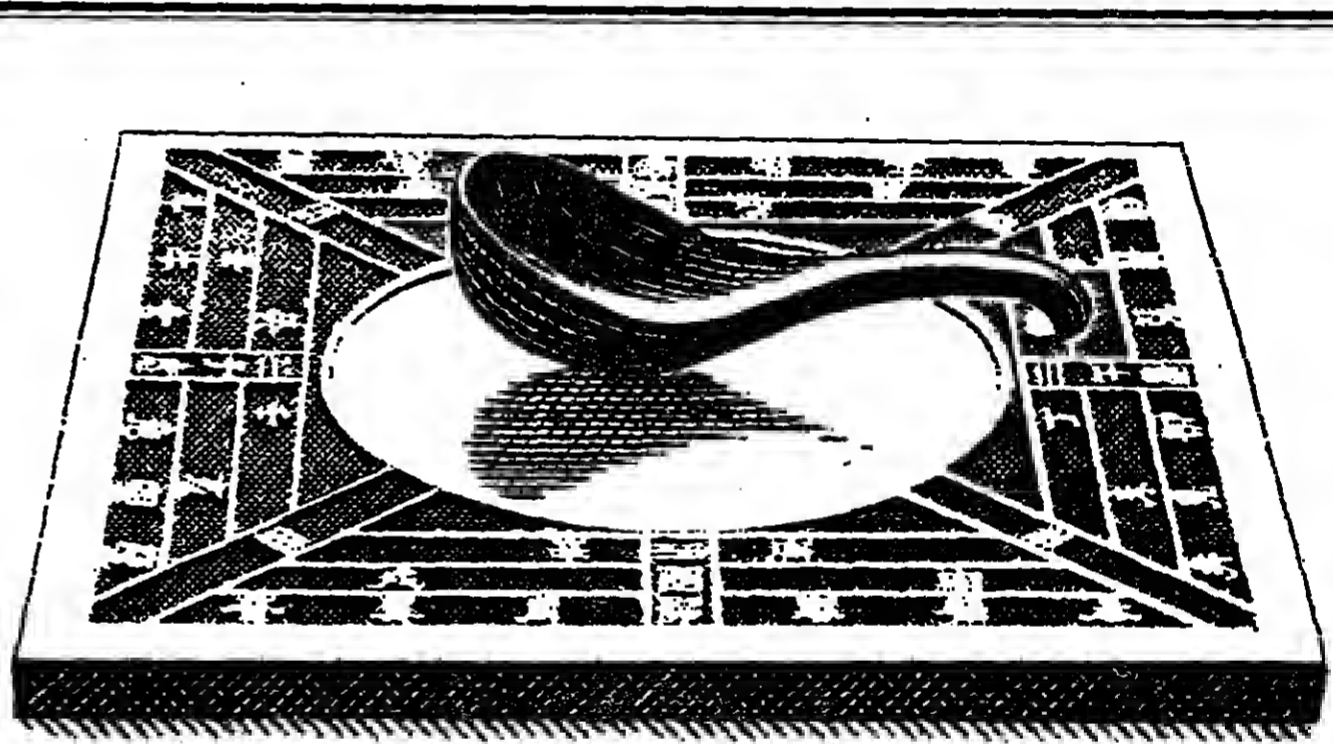
By Andrew Fisher, Shipping Correspondent

BRITAIN'S 28 Royal Fleet Auxiliary vessels, which back up the naval fleet, are to be removed from the merchant shipping register in advance of orders worth up to £500m for six combined tankers and store ships to be equipped with missiles.

Both the removal of RFA ships from the register and the planned Government orders, the first to be placed this financial year, reflect the lessons of the Falklands conflict. The vessels will be regarded as specialised naval auxiliaries rather than as merchant ships attached to the warship fleet.

The vessels will be designed and built with all necessary defence and safety equipment, such as SeaWolf anti-aircraft missiles, rather than having this equipment installed later. The RFA ships, including 15 tankers, will be categorised as government-owned vessels on non-commercial service. Mr John Stanley, the Armed Forces Minister, said.

The ships, for which such yards as Swan Hunter, Scott Lithgow, Harland and Wolff, and Cammell Laird could be in the running, will have a capacity of 30,000 tonnes, carry up to 250 people, and also be armed with rapid-fire small calibre guns and decoys to deflect enemy missiles. Mr Stanley said: "Over a considerable period, the evolving pattern of the Royal Navy's operations and commitments has increasingly tended to distinguish RFA vessels from commercial shipping."



AN INVITATION TO THE EAST

A few weeks ago Barings acquired full ownership of Henderson Baring Management Limited, and changed its name to Baring International Investment Management Limited.

Only HBM's name has changed—the established management, with its wide experience of equity markets in Japan and the Far East, remains unchanged.

Now Baring Fund Managers, in association with BIIM, are launching the following specialist unit trusts:

Baring First Japan Trust Baring Japan Special Trust Baring Japan Sunrise Trust Baring Eastern Trust Baring Australia Trust

Contact your professional adviser, or Peter Hall at Baring Fund Managers Limited, 8 Bishopsgate, London EC2N 4AE, for further information about these new unit trusts.

BARINGS

Baring Fund Managers Limited

This advertisement is not an invitation or offer to subscribe for or purchase shares; subscription may be made only on the basis of the Prospectus containing full details of the offer and of the Company.



FINE VINTAGE WINES PLC

(Incorporated in England under the Companies Act 1948 to 1983—No. 2588776)

Minimum Subscription already achieved

- ★ Unrivalled worldwide connections in the wine trade
- ★ Extensive knowledge of fine wine market
- ★ Fine wine prices overall increased significantly over last ten years
- ★ Fine wines should provide a secure asset backing

Offer for Subscription

under the terms of the Business Expansion Scheme of up to 2,990,000 Ordinary Shares of 25p each at £1 per share payable in full on application.

Arranged by

Sheppards and Chase

Applications received by 26th April 1985 should qualify for income tax relief in respect of the year ending 30th April 1986. Copies of the Prospectus and Application Form can be obtained from Sheppards and Chase by sending in the completed coupon or by telephoning 01-446 8095.

To: Sheppards and Chase, Clements House, Gresham Street, London EC2V 7AL. Please send me a copy of the Prospectus of Fine Vintage Wines PLC.

Name _____
Address _____
Tel. No. _____

UK NEWS

BT share register to top 1.7m

THE LATEST forecasts indicate that British Telecom's share register, to be finalised shortly, will total over 1.7m shareholders, according to Sir George Jefferson, BT's chairman.

In a lecture at Emmanuel College, Cambridge, he said that the facts confounded those pessimists who claimed that most people bought shares for a quick profit.

He added that large numbers of shares would quickly find their way into the hands of financial institutions and professional investors.

Sir George said the British Telecom flotation had done more than any other operation to widen interest in share ownership among ordinary people in the UK.

Road spending up

SPENDING on major road construction during 1984-85 was almost 14 per cent up on the previous year, Mrs Lynda Chalker, the Transport Minister, disclosed yesterday.

Mrs Chalker said 15 trunk road schemes were completed early and another 16 of the 58 under construction were ahead of schedule. She said that the latest figures put the net total of spending on trunk roads at £506.2m for last year.

Ulster nominations

NOMINATIONS for next month's local government elections in Northern Ireland which opened yesterday, show that 1,000 candidates are expected to seek election to 566 seats in 26 electoral areas on May 15.

In the latest test of support for the province's political parties, all eyes will be on the electoral performance of Sinn Féin, the IRA's political wing, which will contest seats across the province for the first time.

Thatcher tour cost

THE Prime Minister's Asian tour last week, which was severely criticised by the Opposition, cost £174,000 it was disclosed yesterday.

In a Commons written reply, Mrs Thatcher said: "The current estimated cost to public funds of the recent visit to Asia and Saudi Arabia is £174,000. Most of this represents reimbursement to the Defence Ministry for the use of an RAF aircraft."

Decision to close London Gold Futures Market

BY JOHN EDWARDS, COMMODITIES EDITOR

THE FINAL death sentence on the ill-fated London Gold Futures Market was delivered yesterday. A meeting of the 38 companies which paid £55,000 each to become "floor" trading members—approved resolutions that the company should go into voluntary liquidation and the market should be closed at a date yet to be finally decided, but probably the end of June.

This means that the 120 stockholders will get their money back after various expenses have been deducted.

The market effectively ceased trading in February when the board announced it proposed to close down because of lack of support. The market has been opening an hour a day, but with only a few outstanding positions to be closed out there has been no trading.

The market has struggled to survive since it was launched in April 1982 with a sterling-based contract. A switch to a dollar contract in October 1982

brought a temporary revival in trading activity but this, too, gradually faded away for lack of interest when the gold market as a whole went through a long time of depressed conditions and declining prices.

Mr Robert Beale, chairman of the market, said the main reason for its lack of success was the dull external conditions that had affected gold trading throughout the world.

He said: "That was a bit of a killer. Maybe we would have been able to survive if the market had been established when gold trading conditions were more buoyant."

Not discussed at yesterday's meeting was an offer by Mr Bob Gibson-Jarvis, who helped set up the market as a consultant to the formation committee, to buy at par its share capital of £10,000. This offer is yet to be considered by the two shareholders, the London Metal Exchange and the London Gold Market, which each has a £5,000 stake.

Call to step up council tendering

THE Confederation of British Industry will call for strengthening of the Government's proposals to force local authorities to put specified services out to competitive tender.

In a draft response to the document, consultation in the Provision of Local Authority Services, the CBI welcomes the proposals as "closely resembling" ideas it has itself put forward.

However, it calls for amendments to the document, including adding waste disposal and plant service management to the list of five services proposed for compulsory contracting-out.

The Government's consultation document envisages requiring local authorities from 1987 to invite tenders for: refuse collection, street cleaning and cleaning of buildings; catering services, including school meals; ground maintenance; and vehicle maintenance.

The document also proposes to require councils to produce on demand comparative costings for other in-house services against those provided by contractors and to give the Environment Secretary greater powers to intervene where councils are reluctant to put out work.

The confidential draft CBI response says the proposals would bring many benefits to ratepayers. "It is likely that once established for several diverse activities, the discipline and associated benefit would extend into other areas of local government."

Nevertheless, it calls for strengthening the proposals, including, in particular, standardising local authority accounts for cost comparisons to be made.

CORRECTION

Pifco Holdings and Swan Housewares

OUR REPORT in yesterday's paper on the decision to close the Belfast factory erroneously stated that the company had been acquired last year by BSR International by Pifco Holdings.

In fact, although in October Pifco announced its intention of buying Swan, the offer was subsequently withdrawn and Pifco is not in any way associated with Swan or BSR. We apologise for our error.

BCal urges immediate action on Stansted and Heathrow

BY LYNTON MCLEIN

BRITISH CALEDONIAN Airways has called on the Government to authorise immediate development of Stansted Airport, Essex, and to remove limits to air transport movements at Heathrow Airport. It wants preparations to start for construction of a fifth terminal at Heathrow.

BCal also wants all charter services from Gatwick to be transferred to Luton and Stansted, leaving Gatwick as a scheduled-service only airport. BCal is based at Gatwick.

BCal supports many central recommendations by the inspector at the recent Stansted Airport Inquiry. BCal's comments, in a booklet sent to government departments and Members of Parliament, are designed to influence Mr Nicholas Ridley, Transport Secretary, ahead of the Government's final decision on Stansted as London's possible third airport.

Mr Ridley is expected to publish, in June, a government policy statement on its attitude to development of Stansted. Publication of a White Paper on regional airports policy is expected for next time.

Government authorisation of development at Stansted looks

increasingly likely in view of the wide support from airlines, such as BCal and British Airways, and forecasts of growth in air transport to the end of the century.

BCal says: "The growth of Britain's airline industry could come to a standstill in 1990 without the expansion of airports in the South-East, including Stansted."

There is a vital role for regional airports to play, but it is impractical, if not naive, to believe that places like Manchester and Birmingham can

substitute as gateway airports for traffic wanting to come to London."

BCal says more landing and take-off capacity in the South-East is urgently needed. It says that at the existing Stansted Airport Britain has one of the finest air transport runways in the country and in terms of operational capability it is a highly suitable site for development in conjunction with Heathrow and Gatwick.

None the less, Stansted requires development of a new terminal

Hotel group buys Liberal Club lease

By Michael Castelli, Property Correspondent

THE National Liberal Club building in London, built nearly 100 years ago on the express wishes of William Gladstone, is to be converted into a hotel. Thistle Hotels, part of Scottish and Newcastle Breweries, said yesterday it is acquiring from the Crown Estate a new, long lease on the building and is to integrate it with the adjacent Royal Horseguards Thistle Hotel. The plan will increase the number of bedrooms in the 4-star hotel from 298 to 388.

Baroness Rohson of Kildington, chairwoman of the National Liberal Club management committee, said the sale safeguarded the long-term future of the club and would enable a badly needed improvement programme to be carried out. This club has 2,350 members and provides 140 bedrooms.

Thistle is paying a £1.35m premium in the club for the remainder of its long lease on the premises and has negotiated a new, 99-year lease with the Crown Estate. The club is taking a new underlease from Thistle.

Thistle owns 35 hotels in the UK and last year doubled operating profits.

Rate demands spark familiar complaints

Robin Pauley looks at an issue vexing London for 80 years

THE USUAL crop of complaints about the annual rate demands has started from business, commerce, domestic ratepayers and politicians. It was apparently ever thus.

The major part of a whole page of the Daily Graphic, published 80 years ago this month, was given over to the vexed question of London's rates with three headlines: "London's Burden," "Increasing Rates" and "Extravagant Municipal Expenditure."

The opening sentence says that the return recently issued by the London County Council for the rates levied in 1904-05 "shows very clearly that the outcry against the burden of rates has not been without reason."

In those days, London government comprised the LCC, covering the present Inner London Education Authority area, with 28 little London boroughs plus the City. Today, the 28 boroughs have merged into 12 inner London boroughs plus the City.

The Graphic tabulated the rates to reach borough, showing Poplar (now part of Tower Hamlets) as the highest rated borough at just over 10 shillings (30p) in the pound and Kensington the lowest rated at six shillings and sixpence in the pound (30p). In Poplar, about half the rate was for the LCC expenditure and half for local services. In Kensington, five shillings was for the central authority and only 1s 6d for local services.

The main reason for the difference was the poor rate—money for the Poor Law Guardians. Poplar, a very poor area, had to raise 5s 6d for the Guardians, while prosperous Kensington, with a low level of poverty, had to raise only 2s.

The analysis also shows that then, as now, the poorest London boroughs had the highest percentage rate increases. Over a 10-year period, from 1895-96 to 1904-05, Poplar's rate increased from eight shillings in the pound to 10 shillings, a rise of 25 per cent.

Lewisham, which is now poor but was then very prosperous, rose from 7s 3d to 7s 6d over the same period, having fallen as low as six shillings at one point.

The differential between the highest and lowest total rates levied in inner London has widened. Poplar's rate was 50 per cent higher than Kensington's in 1904-05. But in 1984-85, when the total rate was different because of the GLC and Metropolitan Police precepts, the highest rate of 27s 9p in the pound at Southwark was 80

per cent higher than Wandsworth's 15s 7p.

Education spending advanced rapidly in line with all other local authority expenditure at the turn of the century. The County Council budget rose from £2.4m in 1895-96 to £4.6m in 1902-03 and the borough council and district boards moved in line, rising from a total of £2.7m to £4.6m. The London School Board, a separate body running inner London education, increased its spending from £2.2m to £3.1m.

The Graphic concluded: "In every possible direction, the municipal expenditure has steadily increased and the question becomes annually more serious. When shall we reach the limit? Is it not time that some limit was put to the borrowing powers of local bodies? These are problems which will have to be solved before long. The whole question needs serious consideration and does not receive sufficient attention." Plus ça change.

Base Rate

Williams & Glyn's Bank announces that with effect from 19th April 1985 its Base Rate for advances is reduced from 13% to 12½% per annum.



Williams & Glyn's Bank plc

A member of The Royal Bank of Scotland Group plc

YORKSHIRE BANK Base Rate

Yorkshire Bank announces that with effect from close of business on Friday 19th April 1985 Base Rate will be reduced from 13% to 12½%

Yorkshire Bank

Head Office
20 Merrion Way, Leeds LS2 8NZ

THE FINANCIAL TIMES

invite you to accept a

NO-RISK TRIAL

of the world's premier advisory service in all fields of international finance, foreign exchange, country risk, foreign regulations and laws...

INTERNATIONAL REPORTS

Each weekly issue - mailed by air every Friday from New York (hand-delivery in a growing list of major cities worldwide) - brings you inside information gathered from the major world financial centres by an exclusive global network of economists, reporters and operatives in every level of business, banking and government - information that is compiled into anticipations, forecasts, and analyses along with a vast compendium of invaluable statistics by the world's most knowledgeable editorial and research staff.

- Six essential services in one:
1. Anticipations of key developments in countries around the world... Editorial comments on all aspects of banking, finance and foreign exchange.
 2. International Country Analyses and forecasts of upcoming developments in the investment, foreign exchange and legislative fields, with emphasis on new and innovative opportunities.
 3. Foreign Exchange Projections that include up-to-the-minute hedging advice and projections for all key - and many "exotic" - currencies.
 4. International Interest Rates.
 5. International Loan Syndication and Bond Markets.
 6. Statistical Market Letter and Monthly Chart Service, in easy-to-read formats available only through International Reports.

Includes: Official Free and Parallel Market Rates in Foreign Exchange for 97 Countries... International Money and Capital Market Rates with Yield Possibilities in international arbitrage for 22 countries and currencies... Survey of Arab-Loan Costs... Complete Cross-Rate Survey of Major Currencies... and more.

USE THE COUPON BELOW FOR A NO-RISK TRIAL!

SEND NO MONEY NOW!

FT INTERNATIONAL REPORTS

Andrew C. E. Hilton Editor in Chief Geoffrey Bell Consulting Editor

Return to: Financial Times International Reports
Tower House, Southampton Street, London WC2E 7HA

☐ YES, enter a No-Risk Introductory Trial Subscription to INTERNATIONAL REPORTS in my name for one year - 52 information-filled issues plus all special reports and updates as published - for £695. If dissatisfied during the first month, I may cancel and owe nothing (or receive a prompt and full refund) and be under no further obligation. Thereafter, I may cancel any time and receive a full refund on all undelivered issues.

Name

Title

Organisation

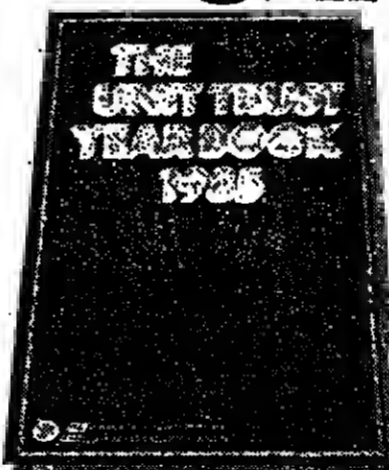
Address

Postal Code

☐ Please invoice me

☐ Payment enclosed

UNIT TRUSTS 1985



Unit Trusts are booming - 123 new unit trusts launched in 1984 - 20 new management groups formed.

By the end of the year the total number of unit trusts touched 700 for the first time. Private investors, institutions and companies are all realising the attractions of professionally managed investment in equities. Now you can keep track of them all. The Unit Trust Year Book 1985, published by Financial Times Business Information with the co-operation of the Unit Trusts Association, gives a full analysis of 748 authorised unit trusts.

There are over 180 clearly presented pages of essential information, all updated since January 1985.

You'll find information on each trust value; the trustees, the trust's history; minimum investment charges; a list of principal holdings; and a 10-year record of distributions and offer price highs and lows. Each trust is categorised by its investment objectives and its management philosophy.

BUY THE YEAR BOOK - GET ONE YEAR OF "UNIT TRUST MANAGEMENT"

The Year Book also contains several unique ranking tables.

- Performance tables - rankings by percentage capital growth over a series of years.
- Trusts in order of size - including details for the last four years.
- Trust yields - income trusts ranked by yield, showing changes in net distribution.
- Monthly sales and total funds.
- Management groups in order of size and by performance.

And there are expert articles written both for individuals and organisations.

What is a unit trust? How do you invest in, or choose, a unit trust?

What do you look for in a manager's report? Taxation, and the uses of share exchange schemes. Regular savings plans and insurance-linking. Plus much more.

The Unit Trust Year Book, which is published on 29th March 1985, can be ordered by completing and returning the form below.

When you do so, there's a valuable bonus - an opportunity to receive a

year's free subscription to a new Financial Times monthly publication devoted to unit trusts - Unit Trust Management. You receive twelve monthly issues - normal price £30.00 - at NO COST.

But you must apply before 31st May 1985.

UNIT TRUST MANAGEMENT

HOW WILL YOU MANAGE WITHOUT IT?

FREE SUBSCRIPTION

Unit Trust Management is the first ever monthly publication to deal solely with the needs and interests of the unit trust industry. It gives systematic updates on all new unit trusts as they are launched.

Regular, authoritative tables and well-researched features on individual groups and funds. News on changes in the market, and the people who make it tick.

Accept a year's subscription to this exciting new publication free when you buy the Unit Trust Year Book before 31st May 1985.

Please send me ☐ copy/ies of the UNIT TRUST YEAR BOOK 1985, price £19.50 (UK) or £24.50/US\$30.00 (overseas).

Please enter me at the same time for a year's subscription to the new monthly publication Unit Trust Management, FREE.

I enclose cheque value £/US\$ made payable to FT Business Information.

I wish to pay by credit card. Please debit my account.

☐ Barclaycard ☐ Access ☐ American Express ☐ Diners Card

Card Number

Expiry date

☐ I wish to order 5 copies or more. Please send me details of bulk order discounts.

PLEASE USE BLOCK CAPITALS
Name

Organisation

Address

Telephone

Post Code

Signature

Date

Please allow 10 days for delivery. Refunds are given on books returned in perfect condition and within 7 days of receipt. Please note payment must accompany order. Prices include postage and packing.

Please return to: The Marketing Dept., FT Business Information, Greyhound Place, Finsbury Lane, London, EC2A 4ND (post order address only).

FT Business Information, Greyhound Place, Finsbury Lane, London, EC2A 4ND. Registered office: Broad Street, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100.

UK NEWS-LABOUR

Poll casts doubt on TGWU region voting figures

By Philip Bassett, Labour Correspondent

SUGGESTIONS of possible ballot irregularities in the Transport and General Workers' Union region of Mr George Wright, the principal losing candidate in last year's disputed election for general secretary, are contained in independent poll findings to be published today.

Supporters of Mr Ron Todd, the successful candidate, have been suggesting for some time that election results in the union's No 4 region, Wales, where Mr Wright is regional secretary, might be worthy of investigation, although Mr Wright's supporters insist that there was no malpractice in voting in the area.

The results of the survey by the opinion poll organisation Mori for Channel 4's Union World programme tonight, show a much lower turnout in Region 4 than claimed by the TGWU; substantially fewer votes than claimed in the union for Mr Wright, and higher for Mr Todd; and strong support for a re-run of the whole election.

Unreleased internal TGWU figures claim a 61.1 per cent turnout in Wales, second only in scale to the now-disputed Irish turnout figures. Mr Wright's camp points to its long campaign in the area, strong support from officers in the region and Mr Wright's prominence there by way of explanation.

The Mori figures, based on interviews on three days this week with 350 TGWU members at three branches in Swansea, show that only 49 per cent say they voted at all in the election.

The internal TGWU figures show a large majority for Mr Wright in the region—89 per cent to Mr Todd's 4.9 per cent. Mori's results say that of those who voted, only 61 per cent voted for Mr Wright and as many as 29 per cent for Mr Todd. A total of 10 per cent voted for the other three candidates, and 12 per cent either didn't know or refused to reply.

Of those questioned 65 per cent said from what they knew or had heard about the election it had been properly conducted, although 17 per cent thought it had not. Of those who voted 81 per cent thought its conduct proper.

In view of the allegations of irregularities in some branches, 73 per cent of those interviewed thought that the election should be re-run. If there was a fresh election, 59 per cent—68 per cent of those who did not vote last year—thought the vote should be by postal ballot, rather than by the present system of individual voting at workplaces.

The results of an independent inquiry into allegations of ballot-rigging in the union's No 1 region, covering London and the South-east, will be delivered to Mr Moss Evans, TGWU general secretary, within 10 days.

Mr John Garnett, director of the Industrial Society, and another society official, went yesterday to the region's headquarters in line with a decision announced by Mr Evans the day before.

They examined a range of material connected with the election, including the disputed pink and white voting return forms which a scrutineer claims he was instructed by the region to alter.

Post held up by overtime dispute

By Brian Groom, Labour Staff

THE postal dispute which has disrupted mail in the Midlands, the South-east and the North-west was spreading last night as the Post Office announced that its original cause had been removed.

The dispute began in Northampton over overtime payments for delivering polling cards for the May county council elections. The Post Office said last night it had handed the cards back to Northamptonshire County Council at the council's request, because they were not being delivered.

By last night, collection and delivery of mail had been halted to areas covered by 20 sorting offices. More than 7,000 members of the Union of Communications Workers had walked out or been suspended, and a backlog of 20m letters was trapped by the dispute.

The Post Office hopes that staff will return to work when they realise that the cause of the dispute has been removed.

The offices affected were: Manchester, Preston, North-West London, Romford, Milton Keynes, Luton, Hemel Hempstead, Stevenage, Cambridge, Brackley (Oxford), Hereford, Northampton, Coventry, Peterborough, Leicester, Worcester, Derby, Nottingham and Slough.

The dispute is one of the most serious in recent years. It spread as workers refused to handle mail transferred from Northampton by the Post Office and by commercial customers.

There were fears in the UCU that it could jeopardise the recent sweeping agreement on new technology and working practices, which has still to be endorsed by a union conference in five weeks' time. Officials know they face a difficult task persuading the conference to accept increased numbers of part-time staff.

The Northampton dispute began last Monday when 1,000 workers walked out following the suspension of one man for refusing to handle the polling cards.

According to the Post Office, the UCU in Northampton was demanding four hours' overtime for each member, costing at £14 a head for delivering an average of 500 cards.

The Post Office said polling cards should be treated as normal second class mail, although it is prepared to pay overtime if the cards cannot be handled during standard working hours.

Brinks-Mat takes Apex to court over strike vote

By David Brindle, Labour Staff

APEX, the white-collar union, has been taken to court under the pre-strike balloting provisions of the Government's 1984 Trade Union Act by Brinks-Mat, the security company.

To add to the union's consternation, Mr Len Gristey, a former senior official of the Association of Professional, Executive, Clerical and Computer Staff and the union's negotiators during its famous Grunwick dispute in 1976, is general manager (personnel) with Mat International, the Brinks-Mat parent group, and was involved in pay talks leading up to the contested strike vote at the company.

One of the complaints made by Brinks-Mat was that an apparent clerical error had led to the words "standard clause" appearing on Apex's ballot papers instead of the intended standard clause on industrial action being a breach of contract.

The union is this weekend re-balloting its members on a

strike proposal, with ballot papers which it believes will comply with the Act.

The dispute is over annual pay negotiations for the 208 Brinks-Mat security guards represented by Apex. Although neither side is prepared to comment in detail, it is believed the company is proposing to defer any settlement to take effect from October 1, rather than the due date of April 1.

Mr Gristey said yesterday the need for a deferral had arisen because of a price war in the industry which had affected the company "quite desperately."

The union's disputed strike ballot, held in late March, showed 200 members in favour of striking from April 1. By April 2, the vast majority of the Apex drivers and guards were on strike at Brinks-Mat's UK depots.

Two days later, however, the company went to the High Court to contest the ballot, and the union agreed to instruct the strikers to return to work pending further negotiations or a re-ballot.

Among the company's complaints was the absence from the ballot papers of the required statement that industrial action is a breach of contract.

An Apex employee had apparently misunderstood instructions and had typed "standard clause" in the relevant space. In addition, the question posed on the papers referred only to "industrial action" and did not stipulate "strike action" as required by the Act.

Mr Gristey said he had been involved in the pay negotiations until mid-March when he was promoted from the post of general manager (personnel) of Brinks-Mat to the equivalent post with the parent group. He had not been involved in the legal action.

When he was Apex's senior area organiser for London and the Home Counties, Mr Gristey was the official responsible for the union's strikers at the Grunwick film laboratories. He joined Brinks-Mat in 1983.

Pay deal level rising says monitoring body

By Brian Groom, Labour Staff

PAY DEALS over 10 per cent are appearing again, according to Incomes Data Services, the pay monitoring body. Although most settlements are still in a 5 per cent to 8 per cent range, the pattern is less stable and there is an increased number of higher settlements.

In its latest bulletin the monitor cites three examples—English China Clays' 10 per cent from March, International Harvester's two-year deal at Doncaster worth 11.5 per cent each year, and a 10.4 per cent settlement over 15 months at NEI Parsons in Newcastle.

As the Government announced yesterday that the inflation rate had risen to 6.1 per cent in March, IDS said negotiators had already allowed for the likelihood of 6 per cent inflation by the spring.

It says: "Now that is a

certainly we may see even fewer pay increases below 4 or 5 per cent and it is possible that the centre of gravity in the spread may rise slightly."

Offers in the public sector are a little higher than a year ago. IDS says the latest figures for settlements reported to the Engineering Employers' Federation show a median (weighted by employees covered) of 6 per cent through the winter months. This is the first real sign of an upward shift in engineering deals, the median having previously remained around 5 per cent since autumn 1982.

The company's latest pay chart shows some increased diversity of settlements, in spite of continued concentration on the 5 to 8 per cent range.

IDS Report 447, 140, Great Portland Street, London, W1N 6TA; available on subscription.

Rosyth dock workers to hold protest strike

By Stuart Jeffries

THE 6,300 Rosyth Royal Dockyard workers at Rosyth Industrial Dockyard, threatened with 500 redundancies under government plans, voted overwhelmingly yesterday for a half-day protest strike from noon Monday. Shift workers are expected to stage similar action.

Mr Jack Penman, the yard's convenors' committee chairman, said the action was the same as that Devonport industrial workers took on Thursday because "their fight is our fight." At Devonport 2,000 of the 13,000 workers are expected to lose their jobs.

A committee has been formed to liaise with Devonport. Mr Penman said: "Concerted action will now be planned, hitting the dockyards where it will hurt most. This is only the start."

SAVINGS OFFERS

	Page
Save & Prosper	1
Baring Brothers	3
Lawson Fund Managers	5
Britannia Building Society	5
Scottish Widows	7
Save & Prosper	8
Hoare & Co	10
Kruggerands	10
M & G	10
General Accident	11
Trafalgar Securities	11
Bank of Scotland	12
Equity & Law	12

PUBLIC NOTICE

Major

DISPOSAL AUCTION of several hundred exceptionally fine and medium quality, handmade PERSIAN CARPETS

rugs and runners... and others from the more important weaving centres of the East. Included are many antiques, silks, kelims, nomads and other unusual items, not generally to be found on the home market.

This merchandise is the property of a number of principal direct importers in the U.K., which has been cleared from H.M. Customs & Excise bond, to be disposed of at nominal or no reserve for immediate cash realisation. Every item guaranteed authentic. Expert advice available at time of viewing.

To be transferred from bonded warehouses and offered at the:

Portman Hotel, Portman Square, London W1

on SUNDAY 21st APRIL at 2.30pm

Viewing from noon same day

Payment: cash, cheque or all major credit cards.

Auctioneers: A. Wellesley Briscoe & Partners Ltd., 67/68 New Bond Street, London W1.

Motor Cars

E.T.L. Motor Brokers Ltd.
PHONE FOR A FREE PRICE LIST
0792 863348 7 days a week
Personal Car Imports and U.K. Vehicle Brokerage
Save up to £3,500 on your new car

Examples
MG Metro £4,580
Mazda GLS £5,545
Mazda GL £4,047
VW Golf GTi £5,995
BMW 323i £10,150
Fiat XR2 £5,275

OPEL VAUXHALL
MAXIMUM DISCOUNT
IMPORT DIRECT FROM
DEALER IN BELGIUM
CARS IN STOCK
010 32 5823 7902
ALSO AVAILABLE IN RENAIULT

VOLVO
740—Place your order now
Contact Steven Pearce or
Lee Freagard
01-286 6151
Lex Brookland

FT TOP 500 EUROPEAN SURVEY

REPRINTS OF A SERIES OF ARTICLES ARE NOW AVAILABLE FROM:

Nicola Barnham, Publicity Dept.
Financial Times
Bracken House
10 Cannon Street
London EC4A 3DF
Price £10

Hongkong Bank

announces that on and after 19th April, 1985 the following annual rates will apply

Base Rate... 12½% (Previously 13%) Deposit Rate (basic) 9½% gross (Previously 10%)

The Hongkong and Shanghai Banking Corporation

The British Bank of the Middle East

Wardley London Limited

£10,000 TO INVEST?

DON'T INVEST A PENNY UNTIL YOU'VE CHECKED OUR NEW HIGHER RATES

If you have £10,000 or more to invest, the news from Britannia is now even better.

Our 28 days notice account now pays no less than 10.30% net (14.71% gross).

A still higher rate of interest than any comparable plan from any other national building society.

Now maximum investment limits have been abolished,** it's simply the best home for sums of £10,000 or more.

**With effect from April 6th.

If you don't wish to invest as much as £10,000, you can still take advantage of our new high rates. For as little as £500 you can get 10.15% net (14.50% gross equivalent).

Because, provided you maintain a minimum balance of £10,000

you can withdraw any amount, at any time, without notice or penalty.

So while the whole sum earns a very high rate of interest a part of it is as accessible as money in an ordinary savings account.

The Britannia 28 Days Notice Account.

Right now you won't find a better deal from any other national building society.



Britannia Building Society

28 DAYS £10,000 PLUS ACCOUNT

10.30% NET	14.71% GROSS
COMPOUNDED ANNUAL RATE†	
10.57% NET	15.10% GROSS

Based on current ordinary share rate of 8.25%, which may vary. *Gross equivalent assuming tax paid at 30% basic rate. †Assumes interest added to the account each half year.

Tick boxes as appropriate.
☐ Please send me full details of your range of investment plans.
☐ I/we enclose cheque No. value of
to open a Britannia 28 Days Notice Account. Minimum investment £500.
• 0.15% bonus rate minimum investment £10,000.

Payment of half yearly interest:
☐ Add to the account. ☐ Into my/our existing Britannia Account No.
☐ Into a Britannia Ordinary Share Account which you will open on my/our behalf.

If you require payment direct to your Bank Account, or by cheque, please give us details in writing.

Full Name(s) Mr/Ms/Miss
Address
Signature(s) Date

Post to: Britannia Building Society, FREEPOST, Newton House, Leek, Staffs. ST13 5ND.
If enclosing a cheque, you may wish to use first-class post, to the address below. FT/16/4

BRITANNIA BUILDING SOCIETY, NEWTON HOUSE, LEEK, STAFFS. ST13 5NG. TEL: 0538 38551. ESTABLISHED 1886. A MEMBER OF THE BUILDING SOCIETIES ASSOCIATION. FOR BRANCHES AND AGENTS SEE YOUR LOCAL DIRECTORIES. AUTHORIZED FOR INVESTMENT BY TRUSTEES. ASSETS NOW EXCEED £2,800 MILLION.

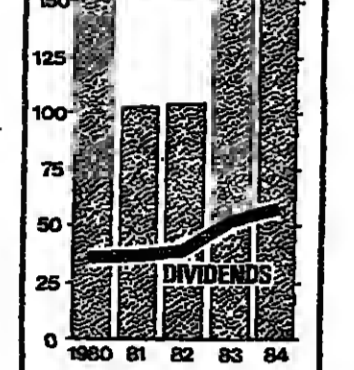
MINING

ASK MOST people about Rio Tinto-Zinc Corporation and they will tell you that it is a big British-based mining group with most of its assets overseas. Sure enough it is, but if you look at where it has been making its money in recent years a rather different picture emerges.

Did you know, for instance, that on a geographical basis the group's UK interests provided as much as 44 per cent of RTZ's net profits last year compared with 34 per cent in 1983?

Furthermore, a breakdown of earnings on a product basis shows the industrial side in the lead with a contribution of 54 per cent against 48 per cent. The world-wide metals and mining activities slipped in only 27 per cent, down from 34 per cent in 1983. Energy provided 19 per cent.

The various figures come out a bit different when expressed



in terms of RTZ's profits before tax, metals being in the lead with a 45 per cent contribution. Still, no matter which way you look at it, the fact remains that the pattern of the group's income has changed in the past year or two with the emphasis on overseas mining activities declining.

The main reason for this, of course, is the general decline in metal prices. Last year the

Changing face of RTZ

MINING

KENNETH MARSTON

group's big CRA Australian arm suffered a 39 per cent fall in earnings—it lost money in the second half—which were particularly hit by low prices for aluminium and copper.

On the other hand, the strength of the dollar last year boosted overseas earnings when translated into sterling, particularly in the case of those from the U.S. RTZ Borax.

The UK industrial interests of RTZ did well and, overall, RTZ achieved a creditable increase in net profits to £210.7m, or 68p per share, against £172.5m in 1983.

The share market, as usual, was expecting better and lowered the price of the shares, although it was satisfied with the increase of 2p to 20p in the dividend total. RTZ does not think that its return on capital is nearly good enough and aims to improve things with a revamped management structure.

While the group is less dependent these days on movements in the more volatile metal prices, they are still important. RTZ is hoping for a pick-up this year in the prices of aluminium and copper, but if the U.S. economy is really running out of steam this will not help demand for these and other metals.

At the same time, the decline in the dollar points to a fall this year in the group's valuable exchange gains, especially on the big revenue from RTZ Borax. If the Australian dollar also remains weak this will not hurt CRA which should now be doing rather better.

Of the other interests, the UK industrial side seems unlikely to maintain the recent pace of growth this year, but energy activities will receive a boost from a full year's benefit of the 29.8 per cent stake in Enterprise Oil which was acquired last July.

On balance, it seems at this stage of the game that RTZ will do well to maintain a modest increase in earnings

this year. On this basis the shares look unexciting on a yield of 5 per cent, but there could be a further increase in the well-covered dividend.

The March quarterly reporting season has been completed by the South African gold mines this week with very mixed results as far as net profits are concerned.

All the taxpayers have been subject to the increases imposed in the recent Budget, but the charges have varied in line with accounting procedures and movements in offsetting capital expenditure. There have also been some sizeable fluctuations in the matter of cost control.

The one thing in common, for most mines at any rate, has been the exchange rate advantage of a higher rand price for their gold despite a fall in the dollar price during the period. The recent fall in the dollar, however, could lead to a reversal in this respect, which is not going to help earnings for the current quarter.

What is needed is a rise in the gold price in real terms—in all currencies—but so far the price has refused to be carried away. Even so, mine earnings and dividends are in good shape and the Anglo American Corporation group's Orange Free State producers have boosted their interim dividends this week after the cuts of a year ago.

Lang Hancock, Australian pioneer iron ore prospector and magnate, hopes at last to develop the Marandoo iron ore deposit in which he has a half share, the rest being owned by CRA. He has signed a barter deal with the Romanian Government whereby the latter will supply much of the mining

equipment needed for the AS350m (£175m) venture.

In return the Romanians would get part of its output, 53m tonnes of ore delivered over 15 years. The open-pit mine could be in production within two years at a minimum annual rate of 10m tonnes and a life of some 20 years.

Both partners would be responsible for marketing their shares of production. CRA, which presumably would have to provide its half of the financing costs, is so far uncommitted on the venture and discussions continue with Hancock for a mutually satisfactory agreement.

Remember Hemerdon Mining and Smelting which with the

big U.S. Amas aimed to mine the Hemerdon Ball tungsten project in Devon, not far from Plymouth? The company is now selling its half-interest in the venture to Amas in return for 300,000 of the latter's shares.

This will leave Hemerdon Mining and Smelting as a holder of Amas and little else. Meanwhile, a further application for planning permission for the mining venture has been submitted, incorporating suggested alterations and this could succeed.

The mine would not be payable at present metal prices, but Amas can take a long-term view because the production stage would be some three to five years away. The deposit has a life prospect of about 20 years and could provide some much-needed employment in Devon.

GOLD MINE NET PROFITS

	March quarter 2000s	December quarter 2000s	September quarter 2000s	June quarter 2000s
Byelorussia	11,827	16,569	13,527	13,847
Bracken	2,313	3,057	3,905	2,413
Bufofontein	75,158	69,961	51,851	54,244
Deelkraal	15,552	13,039	10,961	9,012
Doornfontein	15,497	17,125	16,097	16,262
Driefontein	111,134	100,726	92,979	104,607
Durban	11,134	11,219	11,296	11,023
Ergo	27,718	19,800	13,931	12,755
ERPM	21,388	24,190	22,250	21,243
East Transvaal	3,969	5,096	4,706	4,771
Elandaraal	34,215	36,013	28,155	18,350
Elton	27,558	28,144	28,744	21,041
Grootvlei	7,280	7,841	6,437	4,438
Harmony	36,497	33,781	25,279	23,263
Hartbeest	31,280	27,988	26,579	31,179
Kinross	16,494	17,431	15,324	11,155
Kloof	57,579	58,786	48,586	47,434
Leslie	4,217	5,131	5,289	2,586
Libanon	12,616	12,430	9,533	11,601
Lorraine	12,734	11,763	7,571	2,265
Marlevale	1,006	1,047	910	200
President Brand	38,698	44,308	63,468	35,694
President Steyn	34,379	29,850	30,955	25,825
Randfontein	57,942	74,475	45,933	52,297
St Helena	15,700	21,861	18,148	14,368
South African Land	1,339	2,477	1,190	957
Stifffontein	9,072	24,541	6,320	11,397
Union	10,665	11,130	12,806	6,830
Val Reefs	114,284	130,628	93,465	111,742
Ventersburg	5,799	4,774	3,265	2,255
Village Main	327	269	247	366
Vlakfontein	785	940	786	736
West Rand Consolidated	2,345	2,475	2,079	1,553
Western Areas	7,947	18,475	16,210	15,700
Western Deep	67,372	110,276	82,930	68,486
Western Holdings	47,444	45,892	61,467	35,680
Witwatersrand	18,378	16,687	16,615	15,774

* Re-stated. † State aid overclaimed. ‡ After receipt of State aid.

A bigger slice of Pineapple

Unlisted Securities Market

DEBBIE MOORE's ambition fair takes the breath away: "I want," she says, unblinkingly, "the Pineapple brand name to get as well known worldwide as Lee Cooper or Levi."

Mentioning Pineapple Dance Studios, a tiny, albeit glamorous member of the USM, in the same breath as two of the world's best-known names in blue jeans, may at first seem a trifle cheeky.

Yet Ms Moore—keen to put behind her a spate of unwellcome publicity this week over the break-up of her marriage to former Pineapple finance director, Norris Masters—shows you with statistics and leaflets to show how Pineapple is rapidly branching out from its dance studio origins into an international franchising and licensing operation.

Pineapple is one of two small USM stocks at the glamorous end of the leisure market to be in the news this week. The other is Scanro, Britain's biggest manufacturer of windsurf boards, which reported 1984 profits sharply up, from £89,191 to £439,286.

That was well above the £410,000 forecast when Scanro came to the market last August, and the market is looking for over £600,000 this year.

There is precious little in common between manufacturing sailboards and running dance studios, yet the two companies do share one characteristic common to many USM companies: floated on the strength of a single good idea in a fashionable market niche: the paramount need to stay closely in touch with the fickle whims of the public.

"The wind-surfing market," points out Mr David Sawyer, Scanro's chairman, "is highly design conscious. People like to have pink sails one year and blue the next." Add to that a quickly changing technology and a very large replacement market, and the successful manufacture needs to have a constant stream of new models

coming off the production line.

Scanro used to import a substantial proportion of its equipment but found this left it vulnerable to changes in fashion. As a result, it has committed substantial capital investment over the past year on a sail-making unit to bring all its production in-house, and thus strengthen its grip on the market.

Investors are often wary of single product stocks, yet Scanro believes the windsurf market has great scope for expansion—particularly in the U.S., where it plans to concentrate a lot of sales effort—and it has no ambitions to diversify beyond its mainstream activity.

That cannot be said of Pineapple, though its dance studios remain its core activity—"centres of excellence" which fix the brand image it is now so keen to take into other areas.

Pineapple's original Convent Garden studio has now been joined by two more in London. A fourth opened in New York last September. It was several months behind schedule but is a potentially important foothold in the huge U.S. market for franchise and licence deals.

There are few signs of the international fitness boom fading, though specific fashions in ways of keeping fit are changing all the time—and Pineapple has to keep in close touch with its members to reflect these fads.

"The aerobics boom is dead," says Ms Moore, "now everyone wants to tap dance," and Pineapple's mix of classes has had to change to reflect that.

But there is a ceiling to the amount of money that can be

made out of dance centres: you can only pack a finite number of classes into one building and membership fees cannot be raised too rapidly. Pineapple has had approaches about dance centre franchises in several major U.S. cities, including Dallas and Los Angeles, but the studio business could become peripheral in terms of income (though still central in terms of image) as the company cashes in on franchising and licensing its name.

As Ms Moore sees it, the key to successful exploitation of this potential is three-fold: first, retaining in close touch with changing fashion tastes; second, retaining sufficient control over the design and packaging of goods to ensure the maintenance of Pineapple's quality image; and third, strong management.

The last point brings us back to this week's news—the resignation from Pineapple's board of co-founder Masters, which for a few hours sent the share price down 8p to 51p, though it has since recovered to 70p.

In fact, says Ms Moore, her husband had not been involved in the day-to-day running of the company for nine months, and his resignation was merely the last act in building a new management team under a recently hired chief executive, Mr Robert Jennings, a marketing specialist formerly with Lee Cooper who will spearhead the licensing drive.

The plethora of licensing deals promises to produce some attractive returns in 1985. But the late opening of the New York centre—already in the black—seems likely to hold back profits for the year to July to little more than £290,000, just 5 per cent up on 1984. That is hardly sufficient to get glamour-stock investors dancing in the streets.

Martin Dickson

CHESS

LEONARD BARDEN

LUGANO'S international open, sponsored by Banca del Gottardo, is now firmly established as the strongest competition of its kind in Europe. A well-produced tournament bulletin shows that 23 grandmasters participated in this year's event won by Tukmakov of the USSR.

Runner-up was Nigel Short, 18, British champion and the youngest GM at Lugano. In the final round he drew with Samuel Reshevsky, 74, the oldest. Their game was the last of the tournament, beginning several hours after the rest due to Reshevsky's Jewish Sabbath, and ending on the stroke of midnight with honours even.

In spite of the interesting entry of a four-man Soviet delegation and Short's new success, the most significant honours at Lugano went to Kevin Spraggett, the young Canadian and Commonwealth champion.

Spraggett followed up his victory and grandmaster norm at London Docklands in February with third prize at Lugano and another GM result.

He is already the highest ranked player in the world without a grandmaster title, while his tactical flair, demonstrated in two earlier games in this column, brought another fine win at Lugano. A positional queen sacrifice proved well judged when his opponent missed the only good defensive chance.

White: K. Spraggett (Canada). Black: S. Martinovic (Yugoslavia). Opening: Benoni Defence (Lugano 1985).

1 P-QB4, N-KB3; 2 N-QB3, P-KN3; 3 P-K4, P-Q3; 4 P-Q4, B-N2; 5 N-B3, O-O; 6 B-K2, P-B4; 7 O-O R-K1.

In avoiding a normal King's Indian with 6... P-K4 or a Sicilian Defence with 7... P-P3, Black invites his opponent to advance 8 P-Q5, P-K3; leading to a Benoni-type formation where the Yugoslavs are

does not appear, the declarer leads the heart Knave, and his contract depends on finding West with the Queen. Because of shortage of entries in his own hand, South cannot play on hearts first. If his Knave return removes his entry and now, even if the club Queen drops, he cannot return to hand to enjoy the two long cards in the suit.

We turn to defence:

W. ♠A106, ♠7532, ♠QJ1073, ♠862, ♠J5, ♠Q1084, ♠872, ♠A6

S. ♠884, ♠K84, ♠K76, ♠K1095

North deals at game all, and opens with one club. South replies with one no trump, and North raises to three.

West's heart Queen is allowed to win, a second heart goes to dummy's Ace, and the three of clubs is returned from the table. East must do his homework. He places declarer with the King in each red suit, but he can work out that he cannot have both spade Ace and club King. He must at once play his Ace, and return his remaining heart. This protects his partner's entry—whenever it is—and holds the declarer to eight tricks.

What happens if East plays low? When his King wins, South assumes that East has the Ace, so he switches at once to spades, and continues that suit until the Ace is dislodged. The vital Ace is thus removed in time. East's Ace can be attacked later, when it no longer has any lead value.

Mind you, this is no certainty. A cunning player in the West seat might smoothly play low on the club King—the slightest hesitation will alert South to the true position—and now declarer's switch to spades will dig his own grave.

A very instructive example of counting in defence.

acknowledged experts. White prefers a more flexible choice, keeping a space advantage.

8 R-K1, B-N5; 9 P-P3, P-P3; 10 P-K3, KN-Q2; 11 P-KR3, B-B4; 12 B-B4, N-QB3; 13 B-KB1, N-N5; 14 P-N4.

The routine 14 R-B1 would put Black in the game by 14... N-B1; followed by N or B-Q6. 14... B-K3; 15 Q-K2, Q-R4; 16 P-R3, N-QB3; 17 N-Q5, Q-RB1; 18 P-N4, Q-Q1?

Black plans a central action to undermine White's advanced flank pawns, but a better practical chance was Q-R5 to invade with the queen at QN6.

19 QR-Q1, P-B3; 20 KP-P3, KP-P3; 21 QxQ ch!

Though White will have only rook, bishop and no pawns for the queen, this sacrifice poses serious problems for Black due to the awkward knight pin.

21 R-Q1, R-Q2; 22 R-R3, K-B3; 23 P-B2; 24 B-N2, P-P3; 25 P-P3, P-QR4; 26 P-QN5, N-Q5; 28 N-P3, ch. B-N2; 29 R-B, R-P3; 30 QR-K1, K-N2?

Black falters under pressure and is quickly mated. Instead 30... R-B4 would keep him in the game since 31 R-K7 ch, K-B1; 32 R-RP, Q-Q3 activates his pieces and prepares to advance his passed pawn.

31 R-K7 ch, K-R3; 32 P-B4! P-N4; 33 P-P3 ch, K-N3.

If KxP, 34 R(1)-K5 ch, K-N3; 35 B-K4 ch, K-R3; 36 R-P3 mate. 34 P-R4, Resigns.

The double mate threat is 35 B-K4 ch and 36 N-B4 mate. If Black counters by N-B7, then 35 R(1)-K6 is mate.

POSITION No. 564

White (5 min)

Soler v. Gilg, Prague chess olympiad 1981. A commentator described the sequence by which Black (to move) forced a win here as "one of the nearest finishes ever seen in olympiads." For solution see page 11.

PROBLEM No. 564

Black (3 min)

A familiar position to all chess players, but this problem contains some moves not in any openings book. White, from the starting position, mates on move 5 with his queen's rook, aided by Black's co-operation.

Solutions, Page 11

Record figures for Scottish Widows new premiums in 1984

The Viscount of Arbuthnott, DSC reporting as Chairman of Scottish Widows' Fund and Life Assurance Society.

BONUS DECLARATION

The rates of reversionary bonus declared for 1984 are at the same record levels as for 1983, 5.50% on existing sums assured and vested bonus for ordinary with profits policies and 6.40% for with profits policies in our pension fund. Terminal bonus rates have been substantially increased, as have cash bonuses for with profit group pension schemes.

What we still do not consider satisfactory is the basis which life offices use for their new business quotations, using current interim bonus rates and showing terminal bonus based on current rates. We shall be much happier when industry-wide agreement is reached on a basis for producing quotations which are not extravagant and over-optimistic.

PENSIONS

The first enquiry chaired by the Secretary of State for Social Services into 'personal portable pensions', now referred to as 'personal pensions', resulted in a consultative document which left much unresolved, and we are still waiting for the results of the wide-ranging main inquiry.

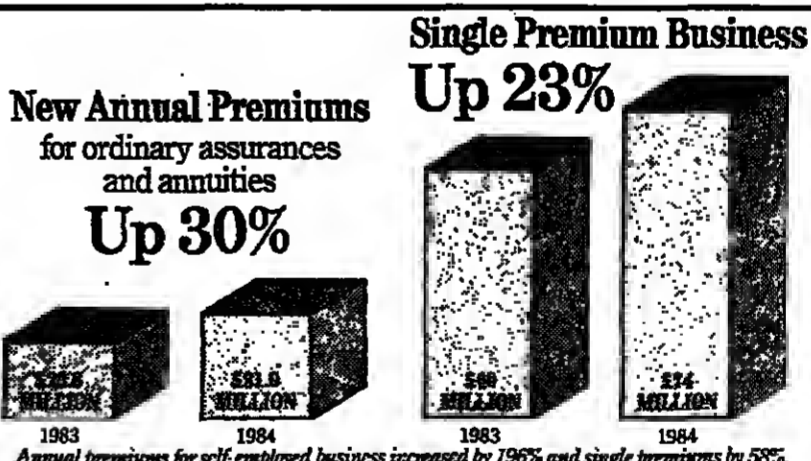
We welcomed the recognition in the consultative document that the arrangements for members of pension schemes to opt out of final salary schemes should be introduced on a basis that would not threaten the stability of such schemes. We are however still concerned that members who do exercise the option will not make enough provision for their retirement at an early enough stage, and may make a decision without a full understanding of what is really a very complicated choice, perhaps without fully appreciating the implications for themselves and their dependants.

INTEREST ON CLAIMS

For many years the Society has paid interest if payment is made more than one month after the date the death claim became payable. We have announced a further improvement in that the interest calculation will in future cover the first month as well.

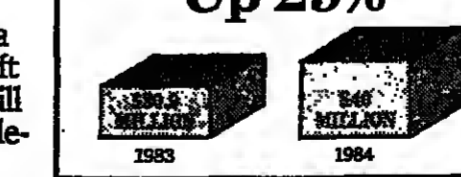
SELF REGULATION

Following the publication of the White Paper on Self Regulation the Society is encouraged to see the proposals which are supportive of the ROLAC initiative which is not in the nature of a price control but is rather a measure aimed at ensuring unbiased

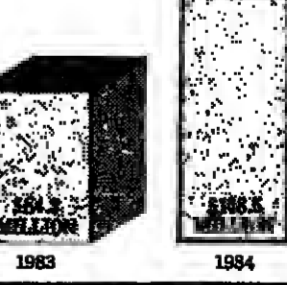


Large Pension Scheme Business including Pensions Management (SWF) Ltd

Annual Premiums Up 29%



Single Premiums Up 76%



INVESTMENT

Of the £134M available for investment by the Society in 1984 plus £122M realised from net sales of equities, £100M was invested in fixed interest securities, £28M in index-linked stocks and £34M in property, while deposits increased by £94M.

Pensions Management (SWF) Ltd generated a figure of £252M to be invested compared with £133M in 1983.

FUTURE OUTLOOK

The Society has taken advantage of market opportunities over the past few years and has improved its new business performance as a result. We have a wide range of excellent contracts, we continue to give first class returns to our policyholders and we have an enthusiastic and hard working staff, so we are confident of continuing to increase our share of the market.

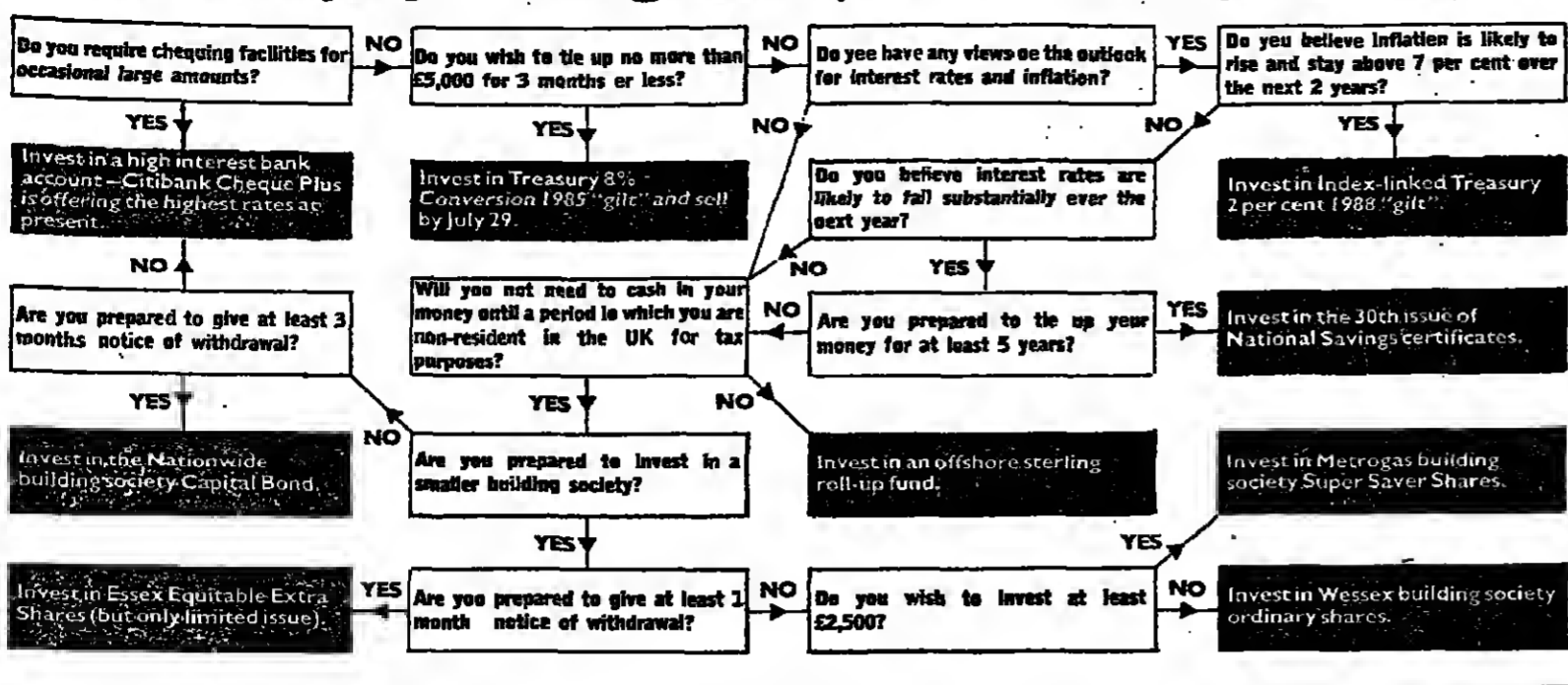
SCOTTISH WIDOWS

MEMBER OF THE ASSOCIATED SCOTTISH LIFE OFFICES

If you would like a copy of the 1984 Report and Accounts, please write to Scottish Widows' Fund and Life Assurance Society, FREEPOST, Edinburgh EH16 0NE or ask your Inspector or your local Branch of the Society.

YOUR SAVINGS AND INVESTMENTS

Where to put your savings now - (for basic rate taxpayer only)



CLIVE WOLMAN spots the best deal for basic rate taxpayers

IF YOU'RE one of the 95 per cent of UK taxpayers who pay tax at the basic rate of 30 per cent, the building societies have never been able to offer you a better deal than at present.

Not only are most interest rates in the country close to their highest this century in real terms, after adjusting for inflation, but building society interest rates over the last month have been pushed up further just as market interest rates have been falling. The building societies, with their 25m depositors, 6m borrowers and often unwieldy management structures, are usually slow to react to changes in market interest rates.

When market rates are particularly volatile, as they have been over the last four months, the societies can get out of line. On this occasion it has worked to the advantage of investors and the detriment of borrowers.

Since the publication, 10 weeks ago, of the last decision tree advising savers where to put their money, another change has enhanced the attractions of building society investments for basic rate taxpayers. This was the Government's surprise announcement on February 28

that the accrued interest on Government gilt-edged securities ("gilts") and other bonds would be subject to income tax as if the interest had been paid out in the form of dividends.

If, however, you own only £5,000 or less of stock at its redemption value, you escape the new rules (see article, page 11). So a small investment in gilts for a short period may still be attractive.

But the highest post-tax yields from a longer term investment in conventional gilts over nine to five years are now only slightly above 8 per cent, more than 2.5 percentage points below the best building society offers. If interest rates fall sharply, you could make a capital gain on your gilt holdings. But at present the interest rate differential is so unfavourable that it hardly seems worth taking the risk - for if interest rates fall to move down further, you will suffer a capital loss.

If you feel strongly that the likely direction is downwards, the 30th issue of National Savings certificates offers the highest returns over five years. For those who wish to make regular savings of up to £100 a month, rather than to invest a lump sum, the National Savings Yearly Plan offers a 9.28 per cent annual return over five years.

Although gilts have been left

far behind the building societies in the last month, stiffer competition has come from the high interest bank accounts (or trust funds). They offer returns close to the market rate of interest and also facilities for writing cheques. The Citibank Cheque Plus account imposes no restrictions on the size and frequency of cheques.

Some of the accounts and funds have their interest rates quoted daily in the Financial Times (see page 29). But beware. Their rates will be cut much more swiftly than those of the building societies, if market interest rates continue their recent fall.

An alternative version of a high interest bank account or trust fund is that based offshore (usually in the Channel Islands), where the interest is "rolled-up" until the investor withdraws his money. Only then does income tax have to be paid. If you are not a UK taxpayer at that time, your returns will be much higher than you could expect from other savings media.

Between the individual building societies, differentials have narrowed slightly over the last two months. But the premium you get on an investment in a smaller society is still large enough to make it worth shifting your money around.

There are several drawbacks to investing in a smaller

society, none of them are major. The most obvious is that you will probably have to send off a cheque in the post and communicate by letter, rather than by calling in at a local branch.

If you intend to apply for a building society mortgage within the next few months, it may also be worthwhile checking on which societies are charging the lowest interest rates to borrowers. Naturally the smaller societies which offer the highest rates to investors are not the cheapest sources of finance for mortgagors.

One further source of worry is that there is a slightly higher risk that a small building society could default. The societies recommended here are, however, covered by the Building Societies Association protection scheme, although the cover is for only 90 per cent of your capital.

A decision tree advising higher rate taxpayers on where to put their money will appear on these pages within the next few weeks.

The detailed figures on building society rates can be obtained from Building Society Choice, Riverside House, Rattlesden, Suffolk. Tel: (04493) 287.

"Capital Gains - The Key Figures for Calculating Your Tax," a booklet containing the April 1985 and March 1983 values of shares, unit trusts and other assets, will be available shortly. Copies of the booklet, price £4.50 each including postage and packing, available from Nicola Bamham, Publicity Department A, Financial Times, 10 Cannon Street, London EC4P 4BY. Telephone: 01-248 8000 ext 4895. Cheques should be made payable to the Financial Times and should accompany your order.

CURRENT INTEREST RATES AFTER THE DEDUCTION OF BASIC RATE TAX			
Savings product	Quoted rate %	True rate %	Restrictions
Wessex Ordinary Shares	10.10	10.36	None
Nationwide Capital Bonds	10.51	10.64	3 mths. notice
Metrogas Super Saver	10.55	10.95	Min. £2,500
Essex Equitable Extra	10.55	10.96	1 mth. notice
Citibank Cheque Plus	10.00	10.38	None
National Savings 30th issue	8.85	8.85	After 5 yrs.

* On a fully compounded basis.

George Graham shows an incentive to stay loyal TSB punters have priority

FOR THE LAST four months, the Trustee Savings Bank's 6 million customers have been given an irresistible incentive to stay loyal, on matter what they think of the quality and expense of their banking services.

But from next week they will be given more opportunity to make proper use of both their money and their bank while they wait to take a share of the profits of the TSB stock market flotation.

The TSB is to abolish bank charges from Monday morning for all customers, provided their accounts remain in credit. This brings it into line with banks like the Midland and the Royal Bank of Scotland.

But they will have to be careful not to slip into the red even for a day, lest they be stung for three months with some of the steepest charges around - 35p per transaction.

But the real incentive to stick with the TSB arises from the priority treatment they are likely to receive in buying shares in the group.

Because the TSB has no identifiable owners, proceeds of the share flotation go straight back into the group. This has the curious effect of making it virtually certain that whatever price the shares are sold for,

they will immediately be worth much more.

The logic runs like this: stockbrokers value the TSB shares at £1m. If the shares are sold for £1m, the money put back into the business, then it is instantly valued at £2m. The shares will then sell on the Stock Exchange at a premium over their original offer price.

"Practically, we can't see how they can go through the flotation without some sort of a premium," says Anthony Munn of stockbrokers Gieveason Grant.

So those who have had accounts at the TSB at least since December 17 last year can expect to benefit from the priority they will receive in the allocation of shares, though the details have yet to be worked out by Lazard Bros, the merchant bank handling the flotation.

December 17 was fixed as cut-off date to stop a flood of stock market punters from opening accounts solely in order to benefit from the share offer.

Accounts of only a few pounds which have lain dormant for many years will also qualify for priority in the flotation. Customers with a passbook lying at the bottom of a drawer would

be well advised to take it along to their local branch to make sure their names and addresses are correctly recorded.

Customers in the old Savings Account, now called the Service Account, would not find that much interest has been credited to them in the intervening years. The account pays just 2 per cent net of basic rate tax. But some TSB accounts are more generous. The Promising Deposit Account, which requires 28 days' notice of withdrawals, now pays 9.75 per cent net, equivalent to 13.93 per cent for a basic rate taxpayer.

Moneybuild, a five-year savings plan which allows no withdrawals but which can be ended completely after two years, is currently paying 7.5 per cent, with an extra 1 per cent for anyone over 60 years old. TSB also offers a one-year fixed term deposit paying 7.5 per cent net, with the option of receiving interest monthly. (Accounts at TSB Scotland are slightly different.)

The clause also seemed to rule out bed-and-breakfasting. But the Inland Revenue has said that, if necessary, an amendment to the bill will be introduced to ensure that this interpretation cannot apply.

Bed and breakfast is back

Clive Wolman looks at this week's Finance Bill

THE BELOVED British institution, "bed-and-breakfast", is set to return to the Stock Exchange as a result of the legislative changes detailed in this week's Finance Bill.

Up to 1982, bed-and-breakfasting was a popular annual activity amongst stock market investors and an important source of income for stockbrokers. Its purpose was to allow investors to establish capital gains or losses on securities before the end of the tax year on April 5, so that they could make the maximum use of their annual exemption from capital gains tax (CGT). In the current year, this amounts to £5,900 of gains after inflation adjustment.

A gain or loss was established by selling a security one evening shortly before the

close of the stock market and buying it back again early the next morning, preferably before breakfast, to minimise the risk of a price change. A host of associated practices sprang up on the Stock Exchange, involving special deals with the jobbers, to minimise the costs of the transactions.

The Parliamentary draftsman of the 1982 Finance Act, with callous disregard for tradition, made the practice an incidental victim of the technical legislation introducing the CGT inflation-adjustment provisions. Bed-and-breakfasters were left with only the possibility of taking an expensive "weekend break", selling and buying stock back between Stock Exchange account periods.

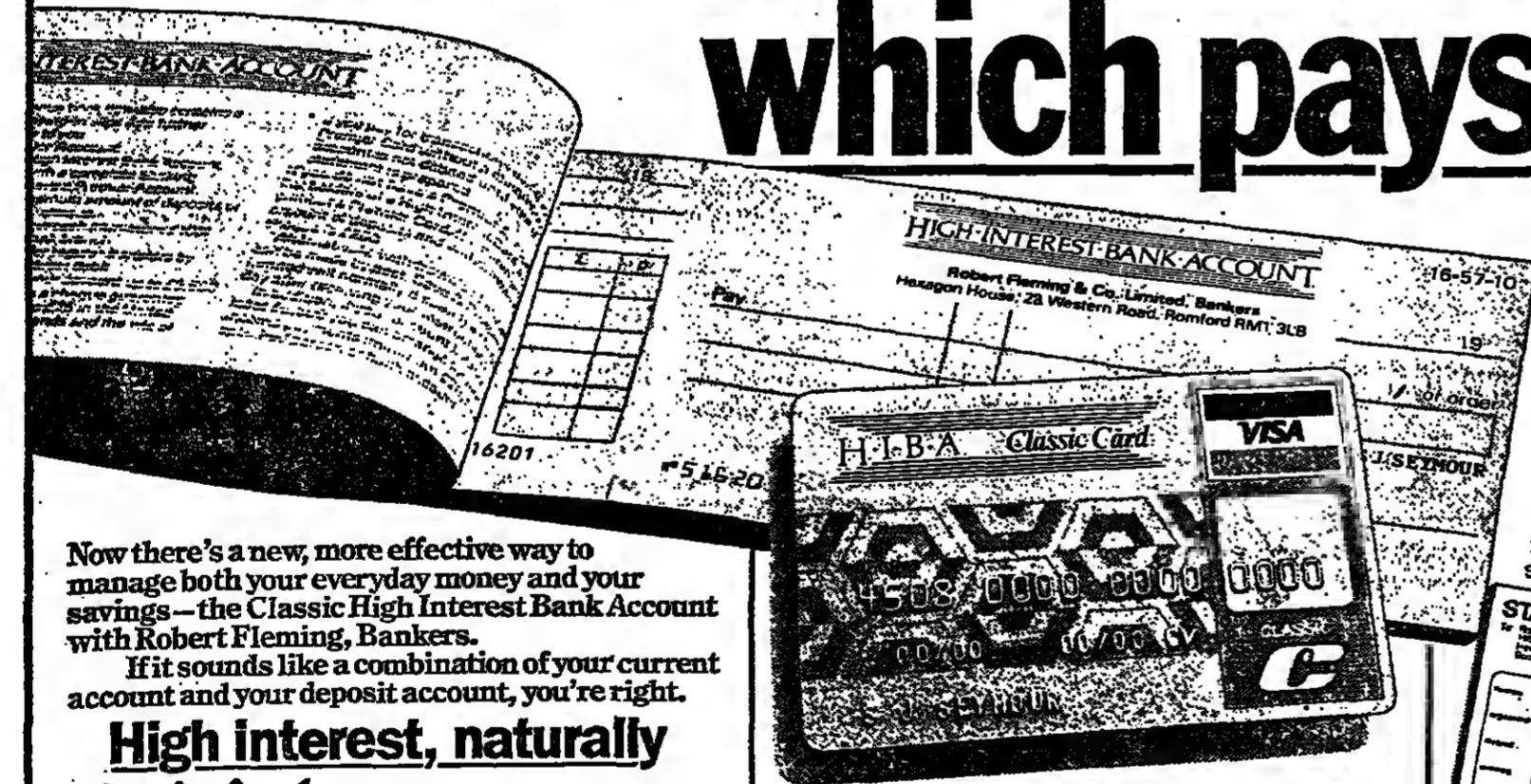
Now the practice has been given an equally incidental reprieve, a by-product of the extension of the indexation provisions announced in last month's Budget. Bed-and-breakfasting will now be possible for

all assets which are held on a "pooled" basis. The most important of these are ordinary shares.

The 1982 identification rules, which killed off bed-and-breakfasting, will however continue to apply to non-pooled assets such as Government securities and corporate bonds.

When the Finance Bill was published on Tuesday, the fate of bed-and-breakfasting hung in the balance: it appeared the practice might be stopped by another provision, designed to stop investors buying an asset on the last day of a month in which the Retail Price Index has risen sharply, and selling it back the next morning so as to obtain a full month's indexation: chief from CGT under the wider inflation adjustment provisions announced in the Budget. The Finance Bill will now permit investors to claim the indexation allowance only on assets held for at least 16 days.

From today, the current account which pays high interest



Now there's a new, more effective way to manage both your everyday money and your savings - the Classic High Interest Bank Account with Robert Fleming, Bankers.

If it sounds like a combination of your current account and your deposit account, you're right.

High interest, naturally

The interest rate paid on your balance will always be competitive and is related to money market rates.

When you open an account, your money earns interest from the day after your deposit cheque is cleared. Clearance normally takes three business days from receipt.

If you pay tax at the basic rate only, you will incur no further tax liability in connection with your account. Tax is not recoverable by non-taxpayers. Higher-rate taxpayers will, however, incur an additional liability for the difference between basic-rate and higher-rate tax.

If your balance is £5,000 or more you can earn the High Interest Bank Account (HIBA) rate on the whole amount. A balance under £5,000 earns 5% p.a. net (7.3% gross equivalent CAR) on the first £500 and the HIBA rate of 9.27% net (13.87% gross equivalent CAR) on the remainder. These rates are variable.

* These rates of interest vary with market conditions. On 19th April 1985, the applied rate was 9.27% for a basic-rate taxpayer (this is equivalent to 13.24% net, taking account of the daily compounding and compounding of interest, the compound annual rates (CAR) are 9.71% and 13.87% respectively).

Instant access, simply

We provide a cheque book and VISA Classic Card to give you easy and immediate access to your money. You can use the cheque book for payments of any amount and the VISA Classic Card can be used to guarantee cheques up to £50.

Purchases made easily

You can pay for goods and services with your VISA Classic Card at any establishment displaying the VISA sign. With 220,000 VISA outlets in the UK and 4 million more in 160 other countries, your card enjoys worldwide acceptability.

Cash worldwide, immediately

Using your card you can withdraw £100 or more from any of 5,500 banks in the UK displaying the VISA sign. Overseas, you can withdraw foreign currency to the equivalent of between £100 and £250 a day from any of 120,000 VISA banks. There are no charges for obtaining the card.

Money managed, effectively

We make it easy for you to manage your money effectively. You can arrange as many standing orders and direct debits as you require, free of charge.

You can have your salary transferred into your account automatically. And you receive details of all transactions, including those made with your VISA Classic Card, on a single monthly statement.

Charges eliminated, painlessly

Providing you have a month-end balance of £1,000 or more, you will pay no charges whatsoever, however many transactions you make. Otherwise there would be a £2 charge for that month.

Capital security, assured

Your account is with Robert Fleming & Co. Limited, a leading City of London merchant bank and a member of the prestigious Accepting Houses Committee. Your account is administered by Save & Prosper, one of Britain's leading unit trust groups and a major force in personal financial services.

Robert Fleming & Co. Limited accepts deposits as principal. Save & Prosper Group Ltd. acts as their agent. Robert Fleming (Holdings) Limited is the major shareholder in Save & Prosper.

Apply today

To apply for an account simply complete the coupon and return it with your cheque made payable to Robert Fleming & Co. Limited. The minimum initial deposit is £500. There is no maximum.

Your initial deposit will start earning interest the day after your cheque has cleared. In the meantime we will send you further details of the Account and a full application form. Please note that we do not guarantee to open accounts for all applicants. Each application will be considered individually.

Further details If you would like further details and a full application form, including the Terms and Conditions, before sending your initial deposit, please tick the box on the coupon and return it to HIBA Administration Centre, Beacon House, 28 Western Road, Romford RM1 3LB, using the FREEPOST address given in the coupon. Alternatively phone Peter Pacey in our Customer Services Department on 0708-66966.

The Peter Pacey, HIBA Administration Centre, FREEPOST, Romford RM1 1LB. Telephone: 0708-66966

If we wish to open a Classic High Interest Bank Account with Robert Fleming & Co. Limited, I/we agree to open an account with a minimum deposit of £500 (minimum £500) made payable to Robert Fleming & Co. Limited. I am/We are aged 18 or over. Please send me a full application form.

If you would like further information and a copy of the Terms and Conditions, please tick this box. ☐

Full name(s) Mr/Ms/Miss _____

Address _____

Postcode _____

Telephone No. (Home) _____ (Business) _____

Existing Save & Prosper Acc. No. (if any) _____

Signature(s) _____

Robert Fleming & Co. Limited, Registered Office: 28 Western Road, London E16 3LB. Company No. 1013213

ROBERT FLEMING, BANKERS

SAVE & PROSPER

45

AMERICAN EXPRESS

For thousands of years
it was the privilege
of only a few to have gold.

It still is



The Gold Card from American Express is an exceptionally powerful financial resource.

That's why it's in so few hands.

It gives you immediate access to a range of special financial services, including a substantial unsecured overdraft facility.

Plus worldwide charge, travel, entertainment and cheque-cashing privileges. As well as the backing of all the people and services of American Express.

All we ask is that your financial standing satisfies both American Express and a participating bank. Will you join the few?

For more information, contact any of the participating banks listed below, call American Express on 0273-696933, or write to: American Express Europe Ltd, P.O. Box 68, Brighton BN2 1YL.

THE GOLD CARD 

Issued in conjunction with American Express Bank · Bank of Ireland · Grindlays Bank · Lloyds Bank · The Royal Bank of Scotland · Williams & Glyn's Bank
American Express Europe Ltd is incorporated with limited liability in Delaware, USA, and is a credit broker.

When did your insurance bonds last see the light of day?

Over the last few years you may have purchased a single premium insurance bond. It may be called an Inheritance Trust, a Capital Accumulation Plan, Maximum or Flexible Investment Bond or a Discounted Gift Scheme. Whether for Income Tax or Capital Transfer Tax efficiency, bonds can provide very good returns provided they are invested in the right markets.

Markets can however change. Recognising this, insurance companies provide free or low cost switching facilities to enable you to invest in the right markets at the right time.

There is just one problem. Where are you last advised to switch and what to switch into? Today, your bond may be invested in the wrong markets and your tax position may have changed.

HOARE GOVETT
Financial Services Group

Now, leading international broker Hoare Govett offers a Bond Switching and Switching Service to ensure that your bond investments and your tax position are regularly reviewed to your best advantage.

Brush away the dust from your bond policies and let us review them for you.

If you would like to know more, fill in the coupon or telephone Peter Gregory on 01-404 0314 or leave message on Prestel Mailbox page 014040344.

Name _____
Address _____

YOUR SAVINGS AND INVESTMENTS

George Graham on all-in banking services All your eggs in one basket

PICKING THE best bank account can be bewildering. The account that pays interest on your balance may seem a good thing in February, when you are £1,000 in credit. But when you dip into the red in March it will hit back with stiff charges for each transaction.

Many people trying to make the best of their bank balances use a combination of accounts: one allowing you to withdraw cash, one paying interest but offering few banking services, to hold surplus funds.

You can sweep money backwards and forwards, keeping enough money in the right account to keep bank charges to a minimum but not so much as to waste the interest you could be earning.

You have to keep on your toes. Many is the investor who has miscalculated how long a cheque would take to clear and has found himself paying bank charges for three whole months because his balance slipped

below £100 for a day or two.

You can have it all done for you. The Alliance and Bristol and West building societies both offer composite services that link their own interest paying accounts with a current bank account, and automatically sweep money from one to the other.

Save & Prosper was one of the first groups to offer a high interest cheque account, in conjunction with its parent Robert Fleming, and it now thinks it has another answer to the problem.

The Classic High Interest Bank Account is intended to offer an all-in-one banking service which avoids the need to juggle money between current accounts, deposits and building societies but with a lower minimum initial deposit than for its earlier Premier account.

You must open your account with at least £500 and can make deposits and withdrawals in any size or number you like. You pay a flat charge of £2 a month

if your balance is less than £1,000 at the end of the month but will receive interest.

This interest rate will be 5 per cent net of tax on the first £500, and a market related rate — currently 9.21 per cent — on the rest. If you keep more than £5,000 you will receive the market-linked rate on the entire amount.

The account also gives you a Visa card, but unlike most Visa cards — such as Barclaycard or TSB Trustcard — it will not operate as a separate credit card account.

With Barclaycard you receive a bill at the end of the month and can pay whatever proportion you choose above a fixed minimum.

With the Save & Prosper Visa card you will not receive a separate bill. Any payments you make with the card will instead be debited directly from your account.

Cash withdrawals will be debited immediately and purchases at the end of the month, so you will have the same

period of grace as you would with a credit card. The only difference is that cannot choose not to pay some of the bill — though if it is too large for your account it can be converted into an automatic overdraft.

Save & Prosper ran its own computer check on how much it would cost a typical customer to bank with various organisations. Using the same pattern of credits and debits over six

months, it measured the offsetting effects of interest paid and charges deducted on customers who keep different amounts of money in their accounts.

The S & P figures show its accounts comparing well with its competitors for those who keep a large average balance but dip occasionally into the red. The company admits that smaller depositors will find the accounts expensive because of the £2 a month standing charge.

NET INTEREST (+) AND CHARGES (-) ON CURRENT ACCOUNTS

Average balance £250 Minimum balance £100		Average balance £1,000 Minimum balance -£1	
1. B & W Moneylink	+0.74	1. S & P Classic	+37.33
2. Alliance Banksave	+0.19	2. B & W Moneylink	+28.32
3. Barclays	0.00	3. S & P Premier	+23.26
4. Lloyds	0.00	4. Dunbar & Co	+23.09
5. Midland	0.00	5. Alliance Banksave	+13.44
6. National Giro	0.00	6. Royal Bank	+5.30
7. NatWest	0.00	7. Barclays	0.00
8. TSB	0.00	8. Lloyds	0.00
9. Williams & Glyn's	0.00	9. Midland	0.00
10. S & P Classic	-6.00	10. National Giro	0.00
11. S & P Premier	-12.00	11. Williams & Glyn's	-6.02
12. Dunbar & Co	-14.08	12. NatWest	-10.56
13. Co-op Bank	-15.00	13. TSB	-27.30
14. Royal Bank	-18.05	14. Co-op Bank	-32.40

Source: Save and Prosper

George Graham looks at income bond flexibility Switched on to the fast track

folio of shares for you on which they earn commission.

There are, however, insurance brokers who will provide switching services for their clients. To keep down administrative costs, they will pool their clients into a private managed fund within the larger insurance bond, rather than running each client's bond separately.

One Financial Services of Windsor runs £1m in such a private managed fund within the Target Life Investment Bond.

This is one of many brokers in use the Target bond for its clients. Since it offers free

switching. But whereas most switch only rarely, and usually only when Target's fund managers advise them to, this moves its money around often and aggressively — sometimes as many as six switches in a single week.

Richard Anley, managing director of this, says the philosophy is to make continuing small profits on deals, rather than aiming for a single large gain over a longer period without any control over the day-to-day movements.

Anley says that at any one time 70 per cent of all funds are going nowhere, only 30 per

cent are moving either up or down. He looks for a 1 per cent gain over ten days and limits the risk of a drop by moving swiftly out of funds that start to decline.

He measures the relative strength and volatility of the various Target funds to decide which sectors to move into, but keeps a watchful eye on what the computer tells him.

And he does not hesitate to move out of equity markets altogether. For two days last week 100 per cent of the fund was in Target's deposit fund.

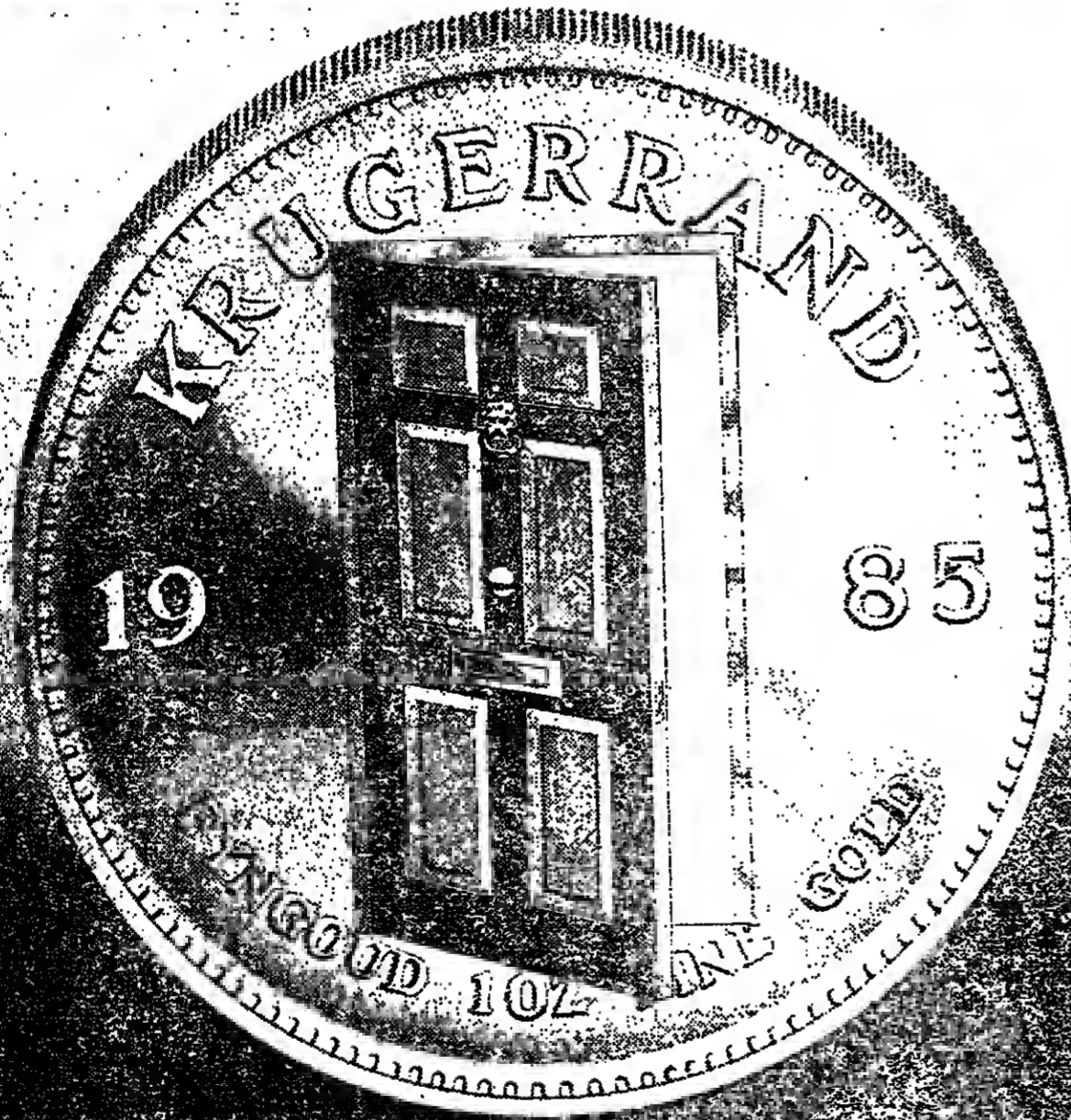
This charges 2 per cent a year

for its management but says that this is more than made up by the enhanced performance. Anley says his fund's average performance is 9.7 per cent better than the median international equity fund.

But things can go wrong, as with any system based on technical analysis and trend trading. In September 1984 the fund lost about 6 per cent of its asset value because of the effect of currency movements. It sold out of the American stock market, but when it wanted to buy back in again, the rising dollar meant that it got fewer units for its money.

Anley has now adjusted his programme to avoid this, by widening the automatic stop-loss precautions. "If you let a computer run a fund on its own you can cause a lot of trouble," he says.

The easy way to enter the Gold Market



Throughout history, despite fluctuations, Gold has had no equal as a long term investment. Today, in a time of financial uncertainty, investors are increasingly turning to Gold.

The easiest way for private investors to buy Gold is in the form of Krugerrands. You can purchase them from most high street banks, stockbrokers and bullion coin dealers in the UK or from banks, bullion dealers and investment brokers in the Channel Islands, who will hold them for you, free of VAT.

Because a Krugerrand contains one full ounce of pure Gold, its price is directly linked to the ruling price of Gold.

It is a simple matter to check your investment from day to day in the financial pages of the newspapers,

where both Gold and Krugerrand prices are quoted.

Krugerrands are internationally accepted, easy to buy and easy to sell. That's why over 43 million of them have been sold worldwide.

No investor should be without all the facts on Gold. The International Gold Corporation have produced a brochure, 'Investing in Gold', which covers the advantages of Gold investment and explains how you too can step across the threshold into Gold ownership. To obtain your free copy simply complete and post the coupon.

For the latest Gold and Krugerrand prices, and details of distributors, you can ring Teledata on 01-200 0200, 24 hours a day.

To: The Krugerrand Information Service
PO Box 5, Faversham,
Kent ME14 4JZ
Please return this coupon
with your name and address

Name _____
Address _____
Postcode _____

THE KRUGERRAND
The Ultimate Asset

M&G OFFERS

Please tick the appropriate box for information.

Unit Trusts offer managed investment in British and overseas stock markets for £1,000 or more. ☐

Planned Income Portfolio provides twelve income payments spread through the year from an investment of £2,500 or more. ☐

9.42% net + Cheque Book equivalent to a gross compounded annual rate of 14.07% (correct at time of going to press). High Interest Cheque Account with Kleinwort, Benson Limited, administered by M&G as agents. Minimum initial deposit £2,500.

☐ PERSONAL ☐ COMPANY ☐ PARTNERSHIP
☐ CHARITY ☐ TRUSTEE ☐ CLUB OR SOCIETY

Savings Plan enables you to invest in unit trusts from £20 a month with no extra charges. ☐

Life Cover Plan offers you high levels of life cover protection at low cost. ☐

Guaranteed Bonus Bonds provide a high, fixed return paid net of basic-rate tax each year for five years. ☐

Flexible Pension Plan for anyone who is self-employed or not in an employer's pension scheme; you get complete tax relief on contributions. ☐

Share Exchange Scheme is an inexpensive way for you to exchange shares worth £1,000 or more for any M&G Unit Trust. ☐

To: The M&G Group, Three Quays, Tower Hill, London EC3R 6BQ. Tel: 01-626 4588.

Mr/Mrs/Miss INITIALS _____

SURNAME _____

ADDRESS _____

POST CODE _____

MA 531615

No salesman will call.

This offer is not available to residents of the Republic of Ireland.

Member of the Unit Trust Association.

M&G

THE M&G GROUP

Just the thing for a 25-year-old pessimist

Harold Clarke of consulting
actuaries Bacon & Woodrow.

The assumptions about an individual's earnings pattern to retirement may not seem realistic. Suppose instead you

The latest realistic assumption behind the figures is that you will incur no administrative costs. In practice, insurance companies impose heavy charges

This involves establishing an officially approved friendly society with your colleagues which then has the power to manage the pension plan by itself. Normally five-yearly actuarial assessments will have

Do not conclude from these figures that an index-linked pension is not worthwhile—or that you are paying too high a premium for such an "inflation insurance policy." With a conventional pension, you will be much better off on the date of your retirement, but within a few years, as your real income is inexorably eroded by inflation and your standard of living falls, you will be overtaken by your index-linked colleagues,

**Eric Short reports
on a new method
of vehicle insurance**

The leaflet sets out the services offered by the garage, claiming to provide the highest possible standard of work, backed by a 12-month G.A. guarantee on the repair.

GA, a Perth-based company which controls 10 per cent of the motor insurance market, has entered the motor repair and salvage business. It has taken a 51 per cent stake in a new motor salvage company called Auto Economics, based in Ashford, Kent, and a 49 per cent stake in Autocrafts, a Folkestone motor repair company.

Autocrafts has been designated a General Accident Repair Centre. A promotional leaflet from G.A. invites motorists to have their cars repaired at the centre if they are involved in an accident. Collection and delivery is provided.

GA provides its own guarantee on many of the spares coming from its Auto Economics subsidiary—a six-month guarantee for spares in first class condition, on a par with a manufacturer's guarantee.

However, the message from G.A.'s UK general manager, Tom Roberts, is that neither of these moves amounts to an attempt to coerce motorists having their cars repaired in a particular way. G.A. has thousands of approved garages and repairers throughout the UK

If a motorist wants to have his or her car repaired by the local garage using new parts, GA will make no attempt to persuade him otherwise. The motorist will simply be informed that alternative services are available.

It is standard practice for motor repairs in the U.S. to incorporate reconditioned and salvaged parts, with the motorist having little say in the matter. Roberts does not expect this to happen on a comparable scale for some time in the UK but the financial pressures on motor insurers are in that direction.

Since no other insurance company has yet followed U.A.'s competitive pressures alone will ensure that U.A. will have to adopt a fairly low profile if it is not to risk losing customers.

**Life & Pensions business -
an important and integral part
of General Accident.**

"Your Board have a commitment to a policy of dividend progression which can be sustained, and they recognise that, in the nature of our business, earnings as traditionally calculated will fluctuate. They are aware too that a part of our total earnings comes in the form of investment gains which are not reflected in our published earnings statement; asset value appreciation, however volatile, is an objective of investment policy, which is designed to generate the maximum total return."

**General
Accident
Linked Life Assurance**

The structure of our private car rating tables continues to be refined in line with our intention to balance premiums more precisely against claims experience. Competition, however, remains particularly keen and private car rates must harden in the market to match increasing claim frequency. The experience in commercial motor fleet business is noticeably worse than private car business and a significant increase in premium rates is essential.

In home contents insurance, development of a revised rating structure will reflect more accurately loss, particularly theft, patterns in different areas of the country.

Our capital base is not only undamaged by our 1984 experience, but has been enhanced to a new record level, and I am glad to say again that our total performance over the longer term has been progressive, as has been our dividend record.

English, were changed to 'General Accident Life Assurance' and 'General Accident Linked Life Assurance' respectively on 1st January, 1985.

General Accident Linked Life Assurance entered the unit linked market early in 1985 with a range of unique and extremely competitive contracts. Day-to-day investment management for these contracts has been placed with Edinburgh Fund Managers, in which company General Accident has taken a 10% equity interest.



During 1985 we celebrate the first hundred years of General Accident. The Corporation was founded in Perth, Scotland, on 16th December 1885.

General Accident

ALBN. Bank	13 1/2 %	Hongkong & Shanghai	12 1/2 %
Allenby Bank	13 1/2 %	Johnson Matthey & Co.	13 1/2 %
Henry Aunsbacher	13 1/2 %	J. Knowles & Co. Ltd.	13 1/2 %
Amro Bank	13 1/2 %	Lloyds Bank	12 1/2 %
Associates Cap. Corp.	13 1/2 %	Edward Manson & Co.	13 1/2 %
Banco de Bilbao	12 1/2 %	Meghraj & Sons Ltd.	13 1/2 %
Bank Hapoalim	12 1/2 %	Midland Bank	12 1/2 %
Bank of China	13 1/2 %	Morgan & Co. Ltd.	13 1/2 %
Bank of Ireland	13 1/2 %	Mount-Credit Corp. Ltd.	12 1/2 %
Bank of Cyprus	13 1/2 %	National Bk. of Kuwait	13 1/2 %
Bank of India	12 1/2 %	National Girobank	13 1/2 %
Bank of Scotland	13 1/2 %	National Westminster	12 1/2 %
Banque Belge Ltd.	13 1/2 %	Northern Bank Ltd.	13 1/2 %
Bank of China	12 1/2 %	Deutch Gen. Trust	12 1/2 %
Beneficial Trust Ltd.	13 1/2 %	People's Trust	13 1/2 %
Brit. Bank of Mid. East	12 1/2 %	Provincial Trust Ltd.	14 1/2 %
Brown Shipley	13 1/2 %	R. Raphael & Sons	12 1/2 %
CL Bank Nederland	12 1/2 %	P. S. Refson	13 1/2 %
Canada Permanent	13 1/2 %	Roxburghs Guarantee	13 1/2 %
Central Bank	13 1/2 %	Shanghai Banking Corp.	13 1/2 %
Cedar Holdings	13 1/2 %	Royal Trust Co. Canada	12 1/2 %
Charterhouse Japnet	12 1/2 %	J. Henry Schroder Wagg	12 1/2 %
Chouloutros**	12 1/2 %	Standard Chartered	12 1/2 %
Citibank NA	12 1/2 %	TCB	13 1/2 %
Citibank Savings	12 1/2 %	Trustee Savings Bank	12 1/2 %
Com. Bank of India	13 1/2 %	Union Bank of Australia	12 1/2 %
C. E. Costes & Co. Ltd.	13 1/2 %	United Mizrahi Bank	12 1/2 %
Comm. Bk. N. East	13 1/2 %	Westpac Banking Corp.	13 1/2 %
Consolidated Credits	13 1/2 %	Whiteaway Laidlaw	12 1/2 %
Co-operative Bank	13 1/2 %	Williams & Glyn's	12 1/2 %
The Cyprus Popular Bk.	13 1/2 %	Wintrust Secs. Ltd.	13 1/2 %
Darmstadt Bank	13 1/2 %	Yorkshire Bank	12 1/2 %
Duncan Lawrie	12 1/2 %		
E. T. Trust	13 1/2 %		
Exeter Trust Ltd.	12 1/2 %		
First Nat. Fin. Corp.	12 1/2 %		
First Nat. Sec. Corp.	12 1/2 %		
First Nat. Trust & Co.	12 1/2 %		
Robert Fraser & Ptns.	14 1/2 %		
Grindlays Bank	12 1/2 %		
Guthrie Mahon	13 1/2 %		
Hambros Bank	13 1/2 %		
Hongkong & Shanghai	12 1/2 %		
Hill Samuel Cos.	13 1/2 %		
C. Hoare & Co.	13 1/2 %		

If you want personal attention, and an individual service, tailored to your own specific needs we can provide it. Over the past five years my colleagues and I have developed a highly personalised operation and we would welcome the opportunity of making our specialist knowledge available to you.



Colin Richardson

Colin Richardson,
Managing Director, has over
twenty years experience
advising clients.

Name _____ FT _____

Address _____

Techniques **BUSINESS**
Trafalgar Securities Ltd

Amalgam Securities Ltd
INCORPORATED IN CANADA


At a time when traditional earnings are severely depressed but balance sheet earnings have never been higher, it is important to reaffirm our faith in the future.

An unchanged interim dividend of 8p per share was declared on 15th August 1984 and the Board are recommending a final dividend of 12p

per share, making a total of 20p per share (1983: 19p per share). This represents an increase of just over 5%.

Our surplus funds increased by £253 million to a total of £1,392 million, equivalent to 828p per share (1983: 677p per share).

LIFE & PENSIONS

In order to emphasise our strong determination to develop life operations as an important and integral part of General Accident the names of our two UK Life subsidiaries, Yorkshire-General and the

Copies of the Annual Report & Accounts can be obtained by writing to The Secretary, General Accident Fire & Life Assurance Corporation plc., World Headquarters, Pitheavlis, Perth, Scotland PH2 0NH.

Money Market Cheque Account from Bank of Scotland.

THE ULTIMATE HOME FOR YOUR MONEY. INTEREST PAYED MONTHLY AND SO EASY WITH NO FEE FOR EARLY WITHDRAWAL.

Compare the benefits with existing investments. Do enjoy—high interest linked to Money Market rates. No notice of withdrawal i.e. no loss of interest when you need funds quickly. A cheque book for easy access—(no cumbersome withdrawal problems). Easy lodgement of additional funds. A Bank of Scotland Visa Card. The security of a major UK clearing bank. A monthly income facility with interest paid to any UK bank account.

- Statements are issued quarterly, or more frequently if you wish
- Interest rates are variable and published daily in the Financial Times and Prestel, page 3951128.
- Available throughout the UK
- No need to have another account with us
- Interest is calculated daily and

either applied monthly to your account or credited to any UK bank account

- The first nine cheques per quarter are free of charge, thereafter a charge of 50p per cheque will apply
- Money Market Cheque Account is available through Home Banking another leading service from Bank of Scotland. (Tick box for details)

ADDITIONAL DETAILS

The only requirements are that your opening balance is over £2,500 and that any transaction through the account (except Visa payments) is over £250. Cheques may be made payable to third parties.

9.26% = 9.66% = 13.80%

Net Rate Net Compounded Annual Rate taking account of monthly interest remaining invested. Gross Compounded Annual Rate to Basic Rate taxpayers.

12.40% = 13.13%

To open your own Money Market Cheque Account... Simply complete the coupon, enclose your cheque, and post to: Bank of Scotland, FREEPOST, 38 Threadneedle St, London EC2B 2BB. An acknowledgement of your deposit will be sent by return and your cheque book will follow a few days later.

Bank of Scotland Money Market Cheque Account.

FINANCE AND THE FAMILY

Agent will pay tax on flat rent

In 1980 I bought a flat on a building society mortgage. The following year I took up a position abroad and subsequently established non-residence for income tax purposes. The flat has not been occupied by me except when I have taken leave in the U.K.—some 2-3 times each year.

I have recently let the property having got the building society's permission and complied with its requirements for letting. An agent is managing the letting. Neither the tenant nor the agent deducts income tax from the rent and I accept that this will fall to me to resolve with the Inland Revenue.

I have been receiving the tax advantage under MIRAS. The building society now suggests I obtain form MIRAS 3 "moving from mortgage property" in case I am affected. I assume that when computing the tax liability on the rents mortgage society interest is not a deductible item when relief is received by MIRAS. If I cease to receive MIRAS would mortgage interest (inter-alia)

be taken into account when assessing the tax liability on the rent? I understand that in my circumstances MIRAS is no longer a concession after four years. Does the four years begin from the introduction of MIRAS or the start of the letting? I understand that arrangements can be made for the rental income to be paid to the non-resident landlord without deducting tax pending settlement of tax.

The income tax assessments will be made upon your agent, under section 78 of the Taxes Management Act 1970. After he or she has been charged to tax, he or she can retain sufficient rent money to meet the tax bill, by virtue of section 83 of the Act.

The ultimate tax liability which you bear should be the same, whether or not the MIRAS facility is withdrawn. Ask the agent (or someone else in this country) to send you copies of the free explanatory booklet IR11 (Interest paid) and IR27 (Income from real property), which are obtainable from tax inspectors' offices.

Declaration of trust

I own shares in an investment trust which I wish to transfer to my wife. Can you tell me the simplest and cheapest procedure for doing this? Do I have to pay stamp duty and how much would it be? I may also wish to transfer units in a unit trust to her. Can this be done simply by writing to the trust or is commission payable?

To effect transfers of the shares or units you would have to execute formal transfers and incur stamp duty. A simpler course would be to execute a declaration of trust, leaving the shares registered in your name but giving the beneficial interest in them to your wife.

Two foreign pensions

I am resident, and employed full-time, in Switzerland, and the legal framework for my impending divorce is set out in a contract drawn up by two lawyers, signed by myself and my (Swiss) wife, and destined for submission to, and approval by, the competent cantonal divorce court, at which stage the contract comes into force. (This procedure is often followed in Switzerland as an alternative to the full court proceedings.)

The contract provides, inter alia, for alimony payments to my wife to continue whilst we are both alive (unless she remarries), albeit geared to my actual income. Under present Swiss law, these payments are allowable as a deduction from taxable income, but given that in my case they will be effected directly and not through the courts (as in the case also of court-imposed maintenance payments here), I should like to know whether such payments would be tax-deductible if I were to return to live in the United Kingdom.

If this were not the case, would there be any advantage in asking my Swiss employer, when the time came, to pay two separate pensions (one directly to my wife's Swiss bank account in respect of my alimentary liability), as he

has done for other foreign employees in my type of situation?

We take it that you are (or will be) domiciled in England and Wales (or in Scotland or in Northern Ireland). That being so, the maintenance payments should be deductible in assessing your Swiss pension, by virtue of section 122 (1) (b) of the Income and Corporation Taxes Act 1970 (as amended), provided that your wife does not come to live in the UK. You may like to write to the Inland Revenue Public Enquiry Office, Somerset House, Strand, London, WC2R 1LB, for a copy of the free booklet IR20 (Residents and non-residents: liability to tax in the UK).

CGT and parents' home

I shall be glad if you will kindly let me have guidance in connection with the following situation concerning a friend of mine. In 1967 he purchased for the sum of £2,650 a house which has since been the sole residence of his parents. They were then and are now of modest means but do not satisfy the definition of dependent relative in the legislation concerning exempt assets for Capital Gains Tax purposes. The property now has a market value of approximately £30,000 and he is becoming concerned about the situation which might arise on a sale of the property. Are you able to suggest any means by which the impact of Capital Gains Tax on a sale could be mitigated?

If he can conveniently go to live with his parents for a (shortish) time, an election under section 101 (5) (a) of the Capital Gains Tax Act 1979, followed by a notice of variation, could reduce the prospective chargeable gain—by virtue of section 102 (2), as amended.

It is difficult to give a really helpful reply, without far more detailed background facts and figures, because the CGT rules are intricate, arbitrary and capricious.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Family home and CTT

I lived at home with my parents at the age of 25, but at that time expected and hoped to get married; I did not purchase a property. I had a good income and could easily have bought a house at that time. Now, after 27 years, I am still living at home. House prices have risen ahead faster than the inflation rate while my income has not kept pace with inflation. I could no longer afford to buy the same house that I could have purchased easily when I was 25. I will probably need the income from my savings to supplement my pension, especially as I may have to retire early for health reasons.

The problem is—how do I cope with C.T.T. when my parents eventually die? My home is their home, but of course it was purchased by them and is in their joint names. When eventually I inherit the house which already has a market value of well over £200,000, I will certainly not be able to afford the Capital Transfer Tax. I would therefore have to sell what is effectively my lifetime home just to pay that tax; this is something I would be

very unhappy to have to do. Could you please advise me if there is a scheme whereby I could inherit the house without the high level of C.T.T. indicated; but at the same time protect my parent's rights and usage during their lifetime. They naturally would not wish to lose control over their home, particularly should I marry as although they trust me absolutely, there is no obvious way by which they could protect their interests.

You should consult with your parents to ascertain if you can set up some schemes to minimise the incidence of Capital Transfer Tax. Thus if they sever their joint tenancy and each leave their half share to you, you will be able to take advantage of £128,000 of CTT exemption if no part of their two exemptions has yet been used. In addition they could give you interests worth £18,000 in the next few months by (a) each giving you £6,000 (two years at £3,000), worth of shares in the equity of the house before 6 April 1985 and a further £3,000 each after 5 April. This could leave you with a manageable tax burden on the death of the survivor which might be met by mortgaging the house.

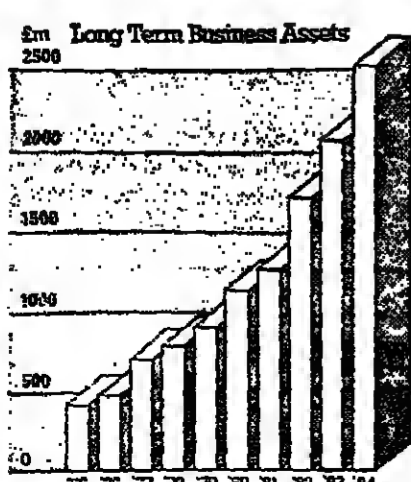
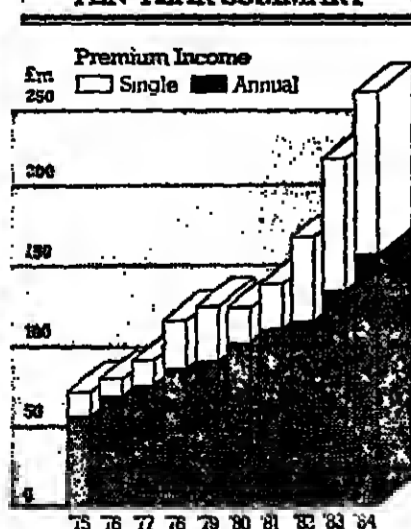
Equity & Law – Attractive products and good investment performance

Extracts from the Statement by the Chairman, Mr P D J H Cox, and the Report and Accounts for 1984

- * Total long term business profits distributed to policyholders and shareholders for 1984 were £50.8m, an increase of 26% over the previous year and almost double the amount for 1981.
- * Average annual rate of increase in dividends over the last five years has been more than 20%.
- * With Multiplan and Multipension we have brought new ideas to the protection and individual pension markets and expect to launch this year a new form of with-profit contract for the mortgage market.

- * German business, all on a with-profit basis, now makes a significant contribution to the shareholders' allocation of profits – 9% of the total for 1984.
- * The continuing success of our investment managers was typified by Equity & Law being named by Money Management as the top unit trust group for 1984.
- * We have the financial strength to continue to expand in a controlled way and we have the staff at home and overseas with the expertise and energy to do so. I am confident therefore that Equity & Law will continue to grow and to prosper.

TEN YEAR SUMMARY



HIGHLIGHTS OF 1984

	1984 £ million	1983 £ million	Increase %
New annual premiums	37.0	33.8	9.5
New single premiums	107.4	84.7	26.8
Total premium income	262.5	217.6	20.7
Long Term Business assets	2,510	2,078	20.8
Earnings	5,639	4,638	24.3
Dividends	5,624	4,519	24.5

For a copy of the Report and Accounts incorporating the Chairman's Statement and a full Review of 1984, fill in this coupon.

The Secretary, Equity & Law Life Assurance Society plc, Amersham Road, High Wycombe, Bucks HP13 5AL

Name (capital please)
Address

TSB BANK

Base Rate

With effect from the close of business on 19th April, 1985 and until further notice TSB Base Rate will be 12½ p.a.

Trustee Savings Banks
Central Board,
PO Box 33, 25 Milk Street,
London EC2V 8LU.

Lloyds Bank Interest Rates

Lloyds Bank Plc has reduced its Base Rate from 13% to 12.5% p.a. with effect from Friday 19th April, 1985.

The change in Base Rate will also be applied from the same date by the United Kingdom branches of Lloyds Bank International Limited and The National Bank of New Zealand Limited.

Lloyds Bank

A thoroughbred amongst banks

Lloyds Bank Plc, 71 Lombard Street, London EC3P 3BS.

Bank of Scotland Base Rate

Bank of Scotland announces that, with effect from 22nd April 1985 its Base Rate will be decreased from 13.00% per annum to 12.50% per annum.

BANK OF SCOTLAND
A FRIEND FOR LIFE

The Royal Bank of Scotland Base Rate

The Royal Bank of Scotland plc announces that with effect from close of business on 19 April 1985 its Base Rate for lending is being decreased from 13 per cent per annum to 12½ per cent per annum

157% IN 4 MONTHS

F.T. Business Information Ltd.

FT Business Information Ltd, Regd address: Bracken House, Cannon Street, London EC4A 3DF. Regd No: 98096

Signature _____ Date _____

FT Business Information Ltd. Regd. address: Bracken House, Cannon Street, London EC4A 3Bf. Regd. No. 990296.
*Overseas subscriptions include airspeeded delivery and are payable in any international currency converted at current rates.

7552034

[illegible]

ACTION POINT
FINANCIAL TIMES BUSINESS INFORMATION.
 To Karen Geddes, FT Mergers & Acquisitions, Tower House, Southampton Street,
 London WC2E 7HA England.

☐ Yes I accept your wage. Please enrol me as a subscriber and
☐ Invoice me/my company
☐ Payment enclosed for £145 (UK and Eire)/£165 (overseas)*
 Please make cheques payable to FT Business Information Ltd. (M & A)

☐ Please send me a sample copy of FT Mergers and Acquisitions

Mr/Mrs/Miss _____
 Job Title _____
 Company _____
 Address _____

Postcode _____ Country _____

Signature _____ Date _____

FT Business Information Ltd. Regd. address: Bracken House, Cannon Street, London EC4A 3BT. Regd. No. 980298.
 *Overseas subscriptions include airspeeded delivery and are payable in any international currency converted at
 the current rate.

GARDENING

It's springtime—but
the sowing's not easy

BY ARTHUR HELLYER

IF ONE certain thing about garden diaries in Britain is that it is impossible to follow them slavishly. The book may say "sow in early April" but if the soil is still soaked with winter rain, as it is in my garden and any others, it is impossible to prepare seed beds let alone sow seeds. There were two or three days in March when it was just possible to cultivate but never, with me, a dry spell sufficiently long to enable seed beds to be made.

So I am still waiting to sow anything outdoors. I have countered by sowing some things under cover. I would normally sow directly in the open but I have neither the space nor the time to do a great deal of this and so, for most things, I shall wait until weather and soil conditions improve.

I am not greatly worried because it has happened before and so I know from experience that plants have considerable ability to catch up. Rate of growth is largely determined by soil warmth and day length. Even when the weather is much

kinder than it has been this year the soil, except in the mildest parts of Britain, is too cold for most plants to do more than grow very slowly until spring is well advanced and lacks up. With every week that passes the rate of growth accelerates and often late sowings will overtake earlier ones that have been checked by cold.

There are other ways of helping late seedlings to make up time. One being to cover them with cloches, another to eliminate weed competition. Cloches can also help to dry out the soil and so make sowing possible. There are many different kinds, glass, rigid plastic and polythene film.

Lately I have tended to use mainly polythene tunnels because they are cheap, easy to make and there are no breakages. The polythene seldom lasts more than two years but is cheap to replace. One danger with cloches of any kind is that plants beneath them may become too dry and so suffer yet another check from an entirely different shortage.

Usually one must water after a week or so because I rarely find that sufficient water soaks in from the sides as the cloches experts so optimistically assure one it will do.

So don't worry if most of the seed packets are still unopened but do be ready to sow directly in conditions are right and be sure to have everything on hand to assist in getting things right and in helping plants to make the quickest possible start.

Do not fall into the trap of thinking that extra manure or fertiliser will give seedlings the boost they need. There is an optimum for everything, the instructions on the fertiliser bag are usually realistic and to exceed recommended rates of application is to risk further retarding growth, not accelerating it.

I hesitate to give any general instructions since manures and fertilisers vary so much in strength but for storable manure, which is the hulk organic most likely to be available, a rate of 100 lbs to 6-8 square yards is right. For a moderately concentrated fertiliser such as Growmore (analysis 7 per cent nitrogen, 7 per cent phosphoric acid, 7 per cent potash) 4 ozs per square yard is the maximum safe application.

Peat contains little or no available plant food and is use-



PROPERTY

Americans rush to
beat sliding dollar

BY JUNE FIELD

OVERSEAS INTEREST in prime London property has long been evident. Americans, particularly, are in the mood to snap up quality places in the capital before the pound gets stronger.

Some estate agents have had mixed feelings about the seriousness of transatlantic seekers after London bricks-and-mortar. "Some are really only window-shopping. But only window-shopping." But well-presented properties are now being given a second look. Prime residential property in London costs between £150 and £250 per square foot. A four-bedroom "townhouse" in New York could top £1.5m (at say, \$1.25 to the £). Something comparable in London could be about the £800,000 mark.

An American bank bought a house in Kensington Gore recently for one of its top executives. The asking price was £585,000, through Sturges and Sons' Park Lane office. An American company chairman paid a record £139,500 for a one-bedroom flat in St James's. Strong American interest has been on advantage at the new firm of Hilary Potter and Partners, 55 Park Lane, set up as a furnished letting business six months ago. It was hard going at first. "Now, with the trend for American families to come for a short stay either as tourists or to search for property, the business is well under way."

Apartments designed by David Hicks, at 10 Hyde Park Square, W2, were marketed in dollars from the start. The development is now complete. Prices currently quoted by Chestertons' Connaught Street office, are \$510,000 (£443,000), to \$780,000 (£669,000). (Currency fluctuations have to be allowed for.)

The service charge for a three-bedroom apartment, £5,500 a year (\$6,300), is 25 per cent of the amount payable on similar properties in North America.

Two of Chestertons' chartered surveyor partners are off in May on a two-week selling trip to the United States, a 10,000 mile tour taking in New York, Boston, Greenwich, Dallas and Florida.

"We feel that we have to serve our clients' best interests by exposing their properties in this new and on-going market place."

Current American clients

have indicated that they will be happy to provide introductions to interested friends and business associates. Hord-sell will follow evening seminars on the history of the large central London estates—titled London landlords provoke interest—and the difference between freehold and leasehold. (In some American states leaseholds are forbidden.)

Chesterfield will carry classy properties in the portfolio—of the calibre of, say, 23 Charles Street, a renovated eight-bedroom, six bathroom Regency house plus mews cottage in Mayfair, which sold last week to an American for close to the £850,000 asking price. The property had received the full treatment, from marble entrance hall with classic Greek-style embellishments, to the lower regions with 100-year-old stripped pine floor; and a trompe l'oeil of trellised garden around the Jacuzzi room.

Other sales to Americans over the last few months include a family house in Malford Street, SW1 and one in St James's Gardens, W11, both in the £550,000 bracket, freehold. A 34-year lease on a maisonette at 45 Eaton Place, SW1, fetched £510,000 before it went on the market.

A new company, People and Property Executive Relocation, is also aiming principally at the American market. Based at 18 Coulson Street, SW2 (01-225 1313), the chairman is Karl van Horn, who is also managing director of American Express Asset Management. He says he found the right one to call home, in Lowndes Square. His search convinced him there was a place in the market for a specialist search service.

Because it will be paid by the client, not the agent, People and Property expect to have ready access to most of the best properties on the market. Multilisting between estate agents in the UK is not always effective.

"Firms are reluctant to share their commission if they have a marketable property which they believe they can sell or let themselves within a reasonable time-span."

The company will search out a suitable property, advise the education (pin-pointing the International and American Schools), organise domestic help and membership of social clubs, and undertake documen-



The Priory, Seymour Walk, Chelsea: a five-bedroom, five-bathroom house with a staff flat and swimming pool, for sale at about £1.5m through Chesterfield & Co., 166 Walton Street, SW3. (01-581 5234)

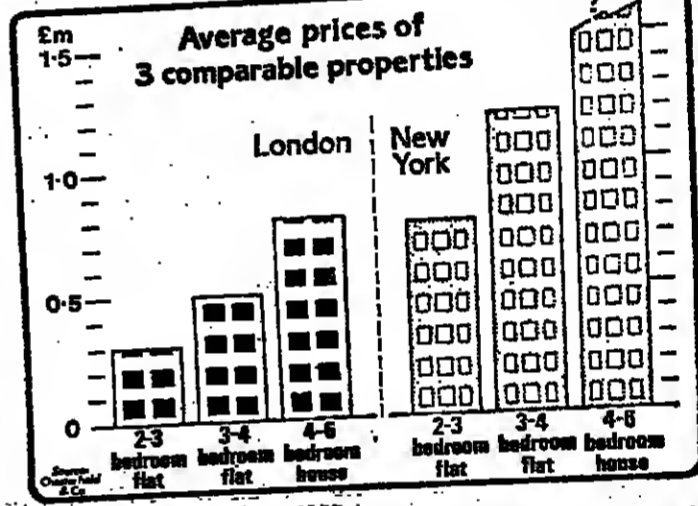
And an American from Virginia, coming over next month to look wanting to retire in Britain, is at good country houses.

tation for quarantining a dog:

Individual purchasers will be charged 1 per cent of the price paid for a property; £1,250 is the minimum. There is also an initial commitment fee of £500. On company purchases and sales (an employee's house might be bought-in to provide cash for the move), fees depend on the amount of work involved.

South-west England is also attracting American dollars. Fox and Sons' Exeter office reports a sudden surge of interest in "the well-maintained, historic country house."

The firm has just sold Chedstone, a five-bedroom house near the coast at Seton, in East Devon. It cost a family from Florida in the region of £150,000. Formal gardens, tennis court and beautiful view were considerable plus-points.



London Properties

Home Exchange Plan Applies on Selected Properties

Move into an exclusive penthouse close to Tower Bridge with extensive roof gardens. From £275,000

Gun Wharf.

Contact: Sales Director G. E. Martin or Ruth Cochrane on 01-265 1282
Gun Wharf - Wapping High Street - London E1

Barrett
Barrett East London Limited, Warton House, 150 High Street, Stratford, London E15 2NE Phone: 01-555 3242

22 PARK CRESCENT (REGENCY PARK)

EXCELLENT MODERN FLATS FOR SALE ON LONG LEASES

STUDIOS/1 & 2 BEDS.
FROM £53,500 - £150,000

- Portage • Lifts
- C.H. & CHW. • Entryphone
- Impressive Entrance Hall
- Prime Location

ALLSOP
30 Montpelier Street, London SW7 1HE
01-584 6106
Telex: 267397

Humberts

West End W1
Spacious 5 bed family house, with garage, 107 year lease £275,000

Mayfair Penthouse
Stunning executive flat, newly renovated with extensive views from balcony and large roof terrace. 2 car garage. Long lease £395,000

Unrivalled views W1
Newly renovated 5th floor flat, 2 rec rms, 3 beds, luxury bathroom and kitchen. 2 balconies. 123 year lease £125,000

Old Chelsea SW3
Luxury 5 bed family home with separate guest cottage. Beautiful garden. Freehold for sale.

Mayfair office,
01-629 6700

By the riverside. In SW1.

Crown Reach is a riverside masterpiece - and only minutes from Belgrave, Knightsbridge and the West End. There are a few individually designed flats and houses remaining. They are for sale on long Crown Leases.

2/4 bedroom apartments available from £200,000. 3/5 bedroom houses from £330,000.

Each has at least one terrace overlooking the river and landscaped gardens. Fully fitted and equipped kitchens; 24 hour porterage; lift; secure parking; video entrance phone.

Open Mon-Fri 11 am - 5 pm at:
142 Grosvenor Road, London, SW1, or contact:

Hampton & Sons
6 Arlington Street, St. James's, LONDON SW1A 1RB. Telex: 254341
01-493 8222

Ideal for Company Purchase.

LITTLE VENICE, W.9

An outstanding, superbly equipped and conveniently located house with truly spacious entertainment facilities, including 37' drawing room.

CHAIRMAN'S AND SECRETARY'S OFFICES
entire throughout and boasts generous and elegant accommodation.

5 bedrooms, 4 bathrooms (3 en suite), 4 cloakrooms (2 en suite), Huge kitchen, housekeeper's suite, lift - CENTRAL HEATING - PATIO - ROOF TERRACE - GARAGING - SECURITY AND ALARM SYSTEMS

Approx 109 year Lease
£850,000 including excellent fitted carpets, curtains, etc.

FOLKARD & HAYWARD
20 Crawford Street W1H 2AR 01-935 7799

ROBERT BRUCE & PARTNERS

LYALL STREET, SW1

A luxurious laid ground floor flat converted to the highest standard two years ago retaining many of the original features. The flat is in immaculate order throughout and boasts generous and elegant accommodation.

DRAWING ROOM, DINING ROOM, STUDY/REAR ROOM, MASTER BEDROOM WITH DRESSING AREA AND BATHROOM, 2 FURTHER BEDROOMS WITH BATHROOMS IN SUITE, KITCHEN/BREAKFAST ROOM, GAS FIRED CENTRAL HEATING, RESIDENT PORTER

LEASE 51 YEARS

PRICE: £475,000

ST. JAMES HOUSE, 13 KENSINGTON SQUARE, LONDON W8 01-937 9847/937 3684

HARCOURT TERRACE, SW10 £71,500
Newly renovated 2nd floor flat with spacious reception, double bedroom with built-in wardrobes. Well fitted kitchen and bathroom. Gas CH. 66 year lease.

REDCLIFF SQUARE, SW10 £170,800
Magnificent ground floor flat comprising reception, large study, drawing room, large south facing terrace, private garden, 2 bedrooms with en suite and shower room. Gas CH. Carpets throughout. 66 year lease.

CPK Construction Ltd. 01-257 2557
106 Fulham Rd London W6

AMERICAN EXECUTIVES

seek luxury furnished flats or houses up to £500 per week. Usual fees required.

Phillips Kay & Lewis
01-352 8111
Telex 27846 RESIDE G

PRIMROSE/REGENTS PARK

Magnificent 4 bed, 2 recep. family house plus self-contained granny flat of 2 bedrooms, 1 recep. lovely garden and roof terrace. Exceptional condition throughout. An early appointment to view is essential.

PRICE £275,000 FREEHOLD
PHONE: 01-267 2853

PRIMROSE HILL

Stunning 5 bed, 2 recep. family house with 4 floors, must be seen. One of Primrose Hill's finest houses. All usual mod cons plus many original features.

Must be viewed
PRICE £249,990 FREEHOLD
PHONE: 01-267 2253

CLUTTONS

MONTPELIER ROW, TWICKENHAM

One of the more important Period Houses in this renowned Terrace which has many beautiful architectural features and a soft walled garden. Charming Cottage and Garaging available if desired.

Entrance Hall, Drawing Room, Dining Room, Kitchen, Breakfast Room, Master Bedroom with an en suite Bathroom, 3 further Bedrooms, 2nd Bathroom, Study/Bedroom 5, Playroom, Sitting Room, 6th and Central Heating.

Option to purchase a charming modern Cottage with walled garden, 2 Bedrooms, Bathroom, 2 Reception Rooms, Kitchen, Gas fired Central Heating.

Also available Double Garage
Price on application to Vondra Sales Agents

74 Grosvenor Street, London W1X 9DD, Telephone 01-491 2768
Also London - Wagon Lane, Kensington, Chelsea, Arsenal, Bath, Cornbury, Edinburgh, Glasgow, Oxford, Waltham, Dublin, Warsaw, Zurich.

Overseas Property

MALLORCA'S NEW SUPER PORT

In the Bay of Palma, 5 miles, Palma, 15 mins. airport, 654 berths to 36 metres, 4 ft up to 60 metres each. Individual TV/main water/phone connections. Professional port management company. Full marine services: Towing, radio, slip, travel-lift, repair, fuel station, in and outboard motor hire, Underground car park, Lockers. Complimentary service and leisure facilities: medical, banking, shopping, catering, entertainment. Golf and tennis nearby. Commercial area comprising 85 units on 13,000 sq m. in all. Plus 21 other apartments above and 80 in accurate luxury condo - all in front line along main Plaza. 60 investment/145 sold. Hurry now before next price rise!

Contact developers directly:
Puerto Punta Portals S.A.
Director Comercial
C/o Martin 101, Portals House
Mallorca, Spain of
Telex: 60086 CALLU E

FRANCE EXCEPTIONAL PROPERTIES IN EXCITING LOCATIONS

FRENCH ALPS

In the heart of Europe a finest skiing, long, self-sufficient resorts offering studio accommodation to 10 berth family flat. All are exceptionally well fitted and offer full builders' guarantee. With summer and winter leisure activities, our clients offers either owner-occupier or investment purchase schemes.

Prices: £22,800-£110,000

Sole UK Agents:
WORKTOWN International
37 Maddox St, Mayfair, London W1
Tel: 01-492 6512

GUERNSEY PROPERTIES

We specialise in the sale of homes to now residents in this idyllic, stable, low tax island. We offer the largest, illustrated selection from £100,000 plus coloured "Spilling in Guernsey" brochure. Contact:
B. Lovell, Chartered Surveyor or LOVELL & PARTNERS
Eal. 1879, 11 Smith St, St Peter Port Guernsey - Tel: 0481 23236

FRANCE - COTE D'AZUR

Superb villa Cap d'Antibes, mountain and sea views, 5 bedrooms & bathrooms, large reception, beautiful gardens and pool, beach nearby.

FF6,300,000
Including international Furniture

GEPI International
15 Bd Albert 1er, 92000 Antibes France - Tel: (01) 34.25.75

TAX FREE - ANDORRA

Temptation in the Pyrenees!

Sensitively, scenery, stability, swimming, skiing, squash and satellite TV. Yours at Anaya Park Apartments from £28,000

C.I.S.A. Andorren Properties Ltd.
E Prinsdale Road
Holland Park, London W11
Tel: 01-221 6843

SPRING IN TUSCANY Forty acres Farmhouse near Florence, beautiful gardens, swimming pool, tennis court, 725000 or 01-352 3436

SWITZERLAND VILLAS BRISTOL

First class residential complex with full hotel management and rental services on hand. Indoor swimming pool, restaurant, bar, sauna, squash, etc. Prime site close to station of Bristol with superb south facing views across the Avon.

Studio from £110,000
2 rooms from £240,000
3 rooms from £320,000

Contact:
HILARY SCOTT PROPERTY
424 Upper Richmond Road West London SW14
Tel: 01-878 6823. Telex: 92702E

BOOKS

Journeying through Never-never-land

BY RACHEL BILLINGTON

Secret Gardens by Humphrey Carpenter. George Allen & Unwin. £12.95, 236 pages

Humphrey Carpenter gives us here a survey of the best of children's literature in the years 1880 to 1930—"The Golden Age" as he calls it. This is a formidable body of work to organise into a medium-sized book. A comparison with adult literature of the same period (sadly, though perhaps wisely, not attempted by Mr Carpenter) would take us from the Brontës to Evelyn Waugh. Mr Carpenter approaches his subject confidently with the editorship of *The Oxford Companion to Children's Literature* under his belt and earlier works on Tolkien and C. S. Lewis.

The theme expressed in the title, *Secret Gardens*, holds the book together. In a thoughtful introductory chapter, Carpenter traces the different strands in the development of children's writing. There were the moral tales stemming from Aesop and *Pilgrim's Progress* which were kept distinct from the stories for entertainment. There was the sentimental cult of writing christened by Mr Carpenter as "Boswellian," of which *Little Lord Fauntleroy* was the supreme example. This shows the first crack in Carpenter's paving-stones since it was written by the same Frances Hodgson Burnett who created *The Secret Garden*. As direct precursor to "The Golden Age" came Lear with his Nonsense Verse and geographical inventiveness.

There were the realistic and sometimes Empire-building stories of G. A. Henty, Kipling and R. L. Stevenson, matched by the girls' stories such as those by Angela Brazil. Finally we

reach Carpenter's chosen world "introspective," "fantastic" and strikingly often about religion. It dealt largely with utopias and posited the existence of Arcadian societies, remote from the nature and concerns of the everyday world; [Mr Carpenter writes] yet in doing this it was commencing, often satirically and critically, on real life.

The names that hit this jackpot are Charles Kingsley, Lewis Carroll, George MacDonald, Kenneth Grahame, Beatrix Potter, E. Nesbit, J. M. Barrie and A. A. Milne. Carpenter adds to this list, for reasons apparently of contrast, Louisa May Alcott and also Frances Hodgson Burnett, although she is not allowed a chapter to herself. As is always the case with an author who has firm views, the challenge to dissent is strong. Laying the grounds for his belief that all shared a strong sense of religious "doubt," Carpenter points out that Kingsley, Carroll and MacDonald were all clergymen. It would seem a more logical deduction that religious conviction was a common denominator. That would, of course, separate them from their fellow "Golden Age" authors.

In the final chapter of the book, Carpenter takes some trouble to explain why the fantasy worlds created by writers for children after the 1890s do not qualify as utopias. The difference, he argues, lies in the fact that the characters in Barrie or Carroll or MacDonald are children for all time, whereas readers of *The Hobbit*, the *Narnia* stories or *The Borrowers* are being schooled towards adulthood. There is no escape into a Garden of Eden of eternal youth. Yet Barrie tackles this prob-

lem very clearly in *Peter Pan* when he introduces the passing of time with its tragic consequences in the play's closing scenes. The fearsome world of Beatrix Potter with her civilised, "sandy whiskered gentleman" and cannibalistic rats could hardly be anyone's idea of paradise.

These points are arguable and perhaps Mr Carpenter's book is best read for its juxtapositioning of information about some extraordinary Victorian characters. It is fascinating, for example, that not only were Charles Dodgson, Kingsley and MacDonald clergymen but all three started working on their most famous works during the summer of 1862. Moreover they all had scientific or mathematical interests. Louisa May Alcott, Frances Hodgson Burnett and E. Nesbit are linked on the other hand, by Mr Carpenter finding in them no proper view of the world. Noticeably, they are not only all women, but also they are professional writers in the sense they wrote to earn their living.

Mr Carpenter has no use for books without a proper moral standpoint. Roald Dahl is given the thumbs down on the first page for this reason, although allowed to be supremely popular with children. Yet Mr Dahl creates the same kind of paradoxical and threatening world which Alice discovered where a Queen commands indiscriminately off with her head and a Duchess throws pepper at a baby who turns into a pig. Fairy Tales are also accused of providing no consistent moral values. Why should poor Little Red Riding Hood get eaten by the wolf just because she lingered to pick flowers in the wood? What greater lesson need a young child learn? Beauty is so good that her Beast



"Come on," cried the Gryphon, and, taking Alice by the hand, it hurried off, without waiting for the end of the song." An Edwardian view of Wonderland by Millicent Sowerby in 1907

turns into a Prince. Cinderella works hard while her sisters play, so she gets her Prince too. An enjoyable chapter of the book deals with *Winnie-the-Pooh*. Mr Carpenter notes that all the animals have childish characteristics except the motherly Kangas.

Before he knew where he was Piglet was in the bath and Kanga was scrubbing him firmly with a large lathered sponge.

"Ow!" cried Piglet. "Let me out! I'm Piglet!" "Don't open your mouth, dear, or the soap goes in," said Kanga. "There! What did I tell you?"

By the end of the book and after Mr Carpenter has speedily dismissed Doctor Doolittle and *Mary Poppins* for "blatant predictability," one is left with the distinct feeling that

children's literature is best left uncategorised. In part Mr Carpenter produces his "Secret Gardens" theory as an antidote to the commonly held view that Kingsley, Dodgson et al were sorting out their Victorian complexes.

Nevertheless he cannot resist noting Kingsley's obsession with water, symbol of purification, or the sexual significance of Alice falling down a black hole. He is then struck by the reverse process in which Male forces himself upwards through a black hole.

Mr Carpenter is an enthusiast whose book is as filled with entertaining ideas and information as any fan of children's books could wish. To disagree with his conclusions may even be a backhanded compliment.

Soldiers of the Empire

BY GEORGE MALCOLM THOMSON

The Ashanti King. Sir Garnet Wolseley's Campaigns 1870-1882, by Leigh Maxwell, Leo Cooper/Secker and Warburg. £12.95, 245 pages

It takes all kinds to make an empire. Statesmen, soldiers, the occasional scallywag, traders in search of profit, younger sons in search of adventure, a sprinkling of Scots and Anglo-Irish, men like Garnet Wolseley. His main motive in life is not for a moment in doubt for he went to the trouble of compressing it into one pithy sentence: "All other pleasures pale before the intense, the maddening delight of leading men into the midst of an enemy or to the assault of some well-defended place."

Not a philosophy likely to win him approval in the War Office of his time, still less that of the Foreign Office, but it became the creed of the group of officers known, for sufficient reason, as "the Ashanti King."

There were six of them and they constituted that military phenomenon much frowned on by those outside it—a clique. Perhaps mercifully, there have been few specimens of it in the British service, although Nelson's band of brothers may be counted as one. The Ring was composed of officers who had won the approval of Wolseley

in one of the little wars he had fought, mostly in Africa. They admired him and listened when he talked seriously about the art of war, which he often did, for he was a prophet as well as a highly methodical officer.

Leigh Maxwell's account of some almost forgotten wars—against the Ashanti (under King Kofi), the Zulus (under Cetewayo), the Boers and finally, Egyptian rebels led by Arabi Pasha, is dominated by portraits of these highly intelligent and highly unconventional officers "picked by Wolseley." For example, there was Redvers Buller who entered into battle against the Zulus wearing a broad-brimmed hat and a coloured open-necked shirt. With his reins in his teeth, a revolver in one hand and a knobkerrie in the other, he was the incarnation of an evil spirit. This fearsome soldier commanded the Frontier Light Horse, an undisciplined, irregular unit, sharing their hardships as, later, in another war, he gave seven-course dinners with champagne as the army marched up the Nile.

On the whole, the Ashanti Ring was successful; most of them became generals; two were Field Marshals. Sir George Colley was an exception; clever and popular, he seems to have lacked the hardness of

character which the commander should have; in consequence, his troops were disastrously beaten by the Boers at Amajuba. Even more catastrophic was the slaughter of Lord Chelmsford's troops by the Zulus at Isandhlwana.

The Ashanti war of 1873 is where The Ring was first shown in action. It was a well-planned little campaign which Leigh Maxwell describes with zest and humour. At one stage the army's advance was so unexpectedly fast that an Ashanti chief, busily cutting his concubine's throat, had to leave the job half done and flee into the bush.

The question of equipment suitable for fighting in West Africa raised problems. Before leaving for the Gold Coast, the officer asked an expert what he should take. He was told, "All you will need is one coffin." But thanks to Wolseley's careful planning, incidence of sickness was light. "I do not mind how many I lose in action, for soldiers are made to die there," said Wolseley. But he hated to lose them through sickness.

Leigh Maxwell has made out of these dusty old campaigns a most lively story with plenty of action and a sufficient supply of comic relief. A pity, though, the book does not have better maps.



Brian Aldiss whose completed SF trilogy is reviewed below

Who arrived first in America?

BY RICHARD ADAMS

The Ambiguous Iroquois Empire by Francis Jennings. Norton. £19.95, 438 pages

I recall a young man — a friend — telling me once that

he was always ready to see a film; any film, simply because the whole business of making films fascinated him so greatly. I confess to having always felt like this about history — right back to "Our Island Story" in the nursery. "Oh, look! There's

a respectable-looking work of history on display over there. We must go and have a glance at it." Even if it doesn't pertain to any period about which I happen to know anything, the fascination still holds. Oh, you twisted my arm!

History, it has been remarked, is more than a matter of recording that one savage tribe succeeded another on the banks of the Ohio; to which I reply that it all depends where you're looking from. If you happen to be from some reason to be interested in the history of medieval Turkistan, such a succession might well loom large and be of importance. As Juvenal says, "quidquid agunt homines... nostri ferrago libelli est." ("everything mankind does is the botchpotch of my little book.")

All this has more to do than might be supposed with the book under review, which is not only about tribes in a far land but must, by its very nature, hold more interest for Americans than for people in this country. Even Americans, however, are for the most part likely to find it a rather laborious read, since it comprises the results of 20-years of detailed, original research into a remote, hazy and little-trodden area — namely, this so-called Covenant Chain confederation of Red Indian tribes with the English colonists in North America, from its beginnings in the 17th century until something called the Lancaster Treaty of 1744. It is essentially a "debunking" book, and what it is purporting to debunk is something which to us over here is as esoteric as itself: an alleged fallacy, which

the author stigmatises as the "myth" (by which he means, of course, the untruth), that before the end of the 17th century the Iroquois had conquered "a savage empire" of other tribal Indians in the regions of the Ohio Valley, the Great Lakes area and Pennsylvania; and that since the Iroquois were held to be dependants of the European province of New York (founded circa 1610), it followed that by "law" that "empire" belonged to Great Britain.

Briefly, Mr Jennings' argument is that there never was an empire. What existed in actuality was a complex alliance of tribes and colonies (the Covenant Chain), organised and maintained by a continual process of negotiation and treaties. Since the book is a closely-argued work of over 400 pages, plus three appendices, and no fewer than 15 maps, it is plainly not possible even to summarise it here. What should be stressed, however, is Mr Jennings' standpoint, which is strongly pro-Indian. To that extent this book is a little resembles Runciman's *History of the Crusades*, which he saw as an invasion of the civilised, medieval East by the barbarian West. Mr Jennings doesn't care for the misconception of "Indians"; and though it is going to argue with that? Nor does he care for the notion of American society as the transplantation of European culture to a virgin land. In his eyes, it was the real Americans who were invaded; and furthermore, the Europeans did not enter upon a wilderness; they created one. The so-called settlement of America was in

fact a resettlement of a land laid waste by the diseases and demoralisation which the Europeans brought with them. And all this, it seems to me, is fair comment.

However, there is a lot more to this book than mere emotional partisanship. It is both erudite and scholarly. To quote some of the sectional titles will be sufficiently indicative. "Tribe competition — French policies — Iroquois initiatives and French repulses — the founding of Montreal — the Iroquois 'melting pot' — Susquehanna intervention — Indian collaboration with Europeans," etc. Close-knit stuff.

In all this — excellently written, arranged and set out, with good maps and a good index — what is there likely to be of great interest to an English reader? Not much, I suppose, though Mr Jennings is extremely interesting, in fact, on the relevance of European relations with the Indians during the first half of the 18th Century to the build-up of British colonial strength during the decade preceding the Seven Years' War. I'm afraid I must advise that his demands rather more time and attention than most of us are likely to want to devote to so abstruse a subject. All the same — and even though I'm not qualified to judge of its accuracy and veracity — I consider that this book deserves congratulation and praise. I enjoyed it, but then, that was predictable. "There's an honest man writing history: let's go and see what he's up to!" But you're simply not competent to — "Never mind! Come on!"

Poet at large

BY ANTHONY CURTIS

Siegfried Sassoon: Diaries 1923-1925 edited and introduced by Rupert Hart-Davis. Faber & Faber. £12.95, 330 pages

Many authors, poets especially, tied to jobs or commitments to publishers that eat into time they wish to devote to their "real work" might have cause to envy the financial security and leisureed existence of Siegfried Sassoon during the years covered by this latest volume of his *Diaries*, 1923-1925, edited with his customary, succinct skill by Rupert Hart-Davis.

Long since out of the army, Sassoon is leading the life of a literary man in London from his base in Tufnell Street where he has his own rooms in the house of W. J. Turner and his wife. Yet, in spite of his wide circle of friends, many eminent and or rich, his riding, his piano which he plays frequently, and his poetry which he continues to write, Sassoon's life is not really enviable. He emerges as desperately lonely and unfilled, almost outside life altogether, as he drives his little car around the countryside on his way to stay with friends like Frankie Schuster at Bray or

Ottoline Morell at Garsington. Here is a fairly typical day: I spent the morning having a Turkish bath in Jeremy Street. And after lunch I went to the Royal Academy to be amused and amazed by its borders of typical old ladies all solemnly marking their catalogues. These people purchase poets after they (the poets) have died and are safe in padded bindings.

Sassoon was so uncertain of his own poetry written at this time that he published it in book form anonymously, circulating copies privately to Hardy, E. M. Forster and other literary friends. The editor of the *New Statesman*, Clifford Sharp, could not believe it when Sassoon told him he did not want the book reviewed; and in fact it was, glowingly, by Desmond MacCarthy. But Sassoon's most consistent writing at this period were these *Diaries* which in their quiet way are extraordinarily interesting, even though he edited out his private life before handing them over to Sir Rupert. He wrote up most days of the year quite extensively, and one wonders how many volumes the whole work will comprise.

Already there are some finely depicted pen-portraits of Arnold



Sassoon when staying with Ottoline Morell at Garsington in 1924

Bennett Wells, Bridges with whom he goes to stay, and other formidable literati of between the wars. But the fascination of the *Diaries* is deeper than that of frozen gossip (enjoyable as that can be); it comes in the end from observing a highly gifted man trying to be honest about himself and to find something worthwhile to do with his life.

Fiction

Sights on a faraway world

BY MARTIN SEYMOUR-SMITH

Helliconia Winter by Brian Aldiss. Cape. £8.95, 285 pages

The Heroic Age by Stratis Havarías. Methuen. £8.95, 352 pages

The Italian Lesson by Janice Elliott. Hodder & Stoughton. £8.95, 174 pages

Survivor by Tom Gallacher. Hamish Hamilton. £8.95, 195 pages

Helliconia Winter sees the end of a trilogy upon which the prolific and gifted Brian Aldiss has been at work for over seven years. The first two parts, *Helliconia Spring* and *Helliconia Summer*, are now available in paperback from Triad at £1.95 and £2.50 respectively. Aldiss not only knows more about Science Fiction (better called, really, Speculative Fiction) than anyone else living, but is also — at least for my money — the only truly gifted — as distinct from merely ingenious — exponent of it still writing.

It is a form which in modern times has suffered more than any other from sheer bad writing and infantism: most supposed examples of it are in fact simply inferior thrillers or romances or sick "horror" stories set in space or in the future. Very few of these books explain themselves or bother to do so.

This work reflects a whole philosophy of life, generated from Aldiss in the first place by his gloom — shared by many — about the prospects for humanity. It would be a pity, as well as unjust, if it were not taken seriously. He has created a world on a derelict grand scale, and then described it in a prose which comes near to justifying his vision. The vision is not perhaps so unusual; the capacity to make it coherent and to describe it so much more than adequately, is. This is Science Fiction as literature — something that does not happen too often, and which has not happened on this scale since the still neglected novels of Olaf Stapledon. There is an enormous amount of imaginative detail in this massive work, much of it a slyly humorous sort. There is also much good sense and an intense humanitarianism.

Here is a feast of a book, the best from an author who has never really quite had his critical due. It is testimony to Aldiss's prodigious energy and courage to tackle subjects no one else will touch. The scientific background is impeccable, and the speculation about the nature

of Time (inspired by the redoubtable J. T. Taylor) deeply intelligent. Altogether a noble work.

Stratis Havarías is a Greek who has settled in America and now writes in English. This is his second novel, the first having been well received, *When the Tree Sings*. He has also written four volumes of poetry in Greek and one very good one in English. *The Heroic Age* is set in the divided Greece of the 1940s, and owes its historical bitterness to no vested interests. It is a novel of childhood: Panagis tells his own story, of how he and his group of orphaned children scavenged the countryside for food (and life) while a savage civil war was being waged — and how captured by the victorious royalists, they were "repatriated" by being made to do cheap labour.

It is a humorous and vital tale, treating of appalling circumstances with energetic courage and joie de vivre. It is one of those novels that tell one more about their times than a thousand documentaries. Havarías's eye for nature and his sense of early adolescent psychology, are both remarkable. This is a poet's novel, and all the better for it.

Janice Elliott's new novel *The Italian Lesson* is a satire on cultural pretensions which just lacks sufficient edge: the writing itself seems too unsteady and too often to pay homage to exactly what is being satirised. A polytechnic lecturer and his wife

visit an exclusive Castello in the Tuscan hills, she to get over a recent stillbirth and he to pursue his lifelong interest in E. M. Forster's years in Italy. The book, told in the continuous present, is well observed; but it is curiously low key and simply is not as funny as it is evidently intended to be.

The Farmers' expectations of Italy are certainly rudely shattered; but these expectations are so stupid and so stereotyped that they fail to be interesting. *The Italian Lesson* is worthy and honest but banal: its characters are without exception boring people.

Tom Gallacher has already written two books about Bill Thompson, who began as an apprentice in a Clydeside shipyard (*Apprentice*) and then went to sea (*Journeymen*). He showed a fine ear for dialogue and a welcome cannyness. *Survivor* is even more substantial. Bill Thompson is now chief engineer on a tanker which explodes in the Baltic, with casualties. It looks as though his negligence caused the disaster: he has to find out for himself why the ship did sink. By the end of this trilogy he has gone to London, and with the help of the landlady who had looked after him when he was a mere apprentice, he covered who he is and what he wants to do. This is satisfying, honest, well written work — hope that those who haven't read the two accounts of Bill Thompson's earlier years will now feel prompted to do so.

Crimes BY WILLIAM WEAVER

Snares of the Enemy by Pauline King. Collins. £7.50, 200 pages

This first novel eminently fulfils one important requirement of the crime novel: the creation of a convincing world, a place where crime (or crimes) can be convincingly committed and detected. Here we have the literally cloistered world of a fashionable, ancient Roman Catholic boys' school, complete with arcane terminology, eccentric characters, devout and exotic functions. Thanks to the author's skill, the reader can almost smell the incense and savour the Master's madra. The people who inhabit this world are equally real, agreeable or detestable. Not every reader will be willing to accept the long moral discussion that follows the discovery of the guilty party (judicious skipping is advised for the impatient or the irreligious);

but this is not a high price to pay for an otherwise excellent constructed story.

Patterns in the Dust by Leslie Grant-Adamson. Faber and Faber. £8.95, 181 pages

Don't read this in order to find out who done it: the identity of the murderer becomes fairly clear even to the naive reader before he has got to the end of the book. But read it for the charm of the protagonist (a Fleet Street gossip-columnist on a holiday in a borrowed cottage). And read it also — if you are a lover of tradition — for the freshness with which this debutante novelist uses all the dear old ingredients of the genre: village and pub and squire and retired general. The body is not found in the library, but the ruined castle serves. Leslie Grant-Adamson is off to a good start.



National Westminster Bank PLC

NatWest announces that with effect from Friday, 19th April, 1985, its Base Rate is decreased from 13.00% to 12.50% per annum.

41 Lombury London EC2P 2BP

HOW TO SPEND IT

by Lucia van der Post



OLD: From the second-hand department—30-year-old cream flannels (£35), worn with a cream silk shirt (£24), and a cream and red striped wool dot cravat made from 32 oz silk and costs £16.

I say chaps! Keep it trad

I FIRST came across Hackett when my son started giving my husband and other male relatives some rather superior presents—a fine antique pen, a good quality second-hand dress shirt (to a young cousin about to go up to university), a lovely silk tie—all this seemed to me to need investigation.

It's not the sort of place you come upon by accident. In a long, low white building at 65b New Kings Road, London SW6 it is hard to find but, as they say in Michelin, well worth the detour.

It was started nearly two years ago by Jeremy Hackett who was tired of looking for things he wanted and couldn't find. If I had to sum up the "look" it purveys I can't think of a better phrase than a mixture of city gent and country squire, the kind of traditional English look that's almost impossible to find in England any more unless you buy custom-made. So what Hackett set out to do was provide a made-to-measure look in ready-to-wear and at ready-to-wear prices.

The shop has two sides to it—the second-hand side was where it all began, with a varying selection of what might be called gentlemen's appurtenances and accessories, wherever possible hand-made, with the emphasis on quality and tradition.

There is usually a good

selection of everything from luggage (some wonderful sports and weekend bags) to pens, lighters and watches. On the clothing front there are silk ties and cravats, suits, isekets, dressing-gowns, evening wear, shirts.

The formal evening wear is particularly sought-after for the price of two hirings you could have a complete outfit from Hackett. A dinner jacket costs £39, cotton pique

dress shirt, £14. Word has got out about the shoes, too—Hackett sells many seconds from the factories that make for Jermyn Street. They are roughly half the Jermyn Street price but have only small, almost undetectable creases or flaws.

Soon, however, Hackett began to develop its own range of clothes that it felt nobody else was making—things like quality cords

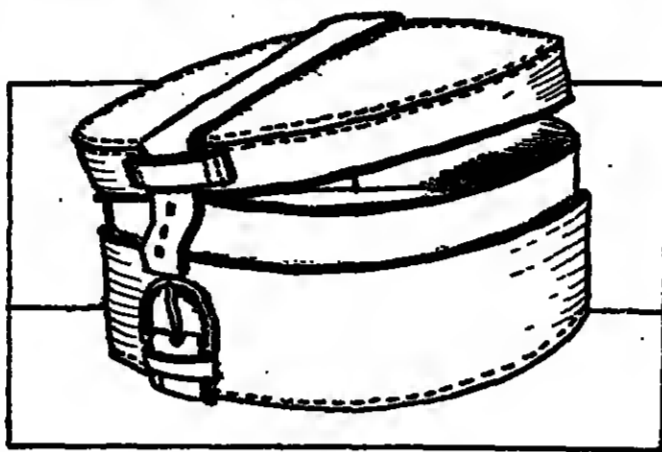
with proper cotton pockets and linings (even at the quality end of the market nylon is usually used). Hackett's cords are slightly higher-waisted for greater comfort and the legs are extra long so customers, no matter how tall, can have turn-ups.

Well-cut jackets, they felt, were almost impossible to find—even the most up-market, most British-seeming stores, they say, cut the jackets too slimly, and make them too fitted. Custom-made jackets have four buttons that really work—so do Hackett's jackets.

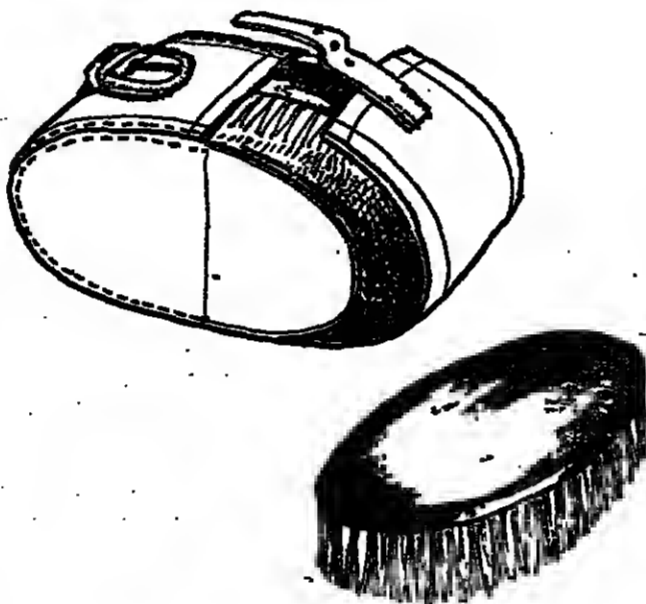
The shop does its own range of traditional heavy-weight, hard-wearing, country fabric) which it has dyed navy-blue, straw and white and uses to make a military-cut trouser.

Sweaters are hand-framed cable Shetland or classic lambswool. There is a basic range of new shoes—brogues (leather and suede) and a backskin chukka boot.

If you have any American visitors over this summer, in search of the quintessential English look, this is the place to send them. When I was last in there a clutch of voracious shoppers from American Vogue was buying up much of the shop and since then a team from the New York Times has homed in on it to give it the big colour supplement treatment. I should hurry while stocks last.



From the second-hand side—a 30-year-old leather collar box, so beautiful that even those who don't wear collars could find a use for it. New versions cost about £30, this one is £18 (p+p £1.50).



Second-hand hairbrush box, about 30 years old and filled with brushes with real bristle and ebony backs. This is the kind of box that would have been used for travelling. £24 (p+p £1.50).



A gentleman's sports bag made from pigskin and canvas. About 10 years old it has a zip-up washbag attached to the inside and is just one of a selection of grips, holdalls and weekend bags on sale. £45.



NEW: There is a large selection of suits in a variety of cloths, sizes and subdued colours but Hackett is especially pleased with its lightweight suits in dark colours, as they feel it is normally almost impossible to find a summer suit that looks good in the city. Double-breasted in wool worsted pick and pick cloth it comes ready-to-wear but alterations are done. £225. Heavy silk tie £12.

Drawings by Julia Findley



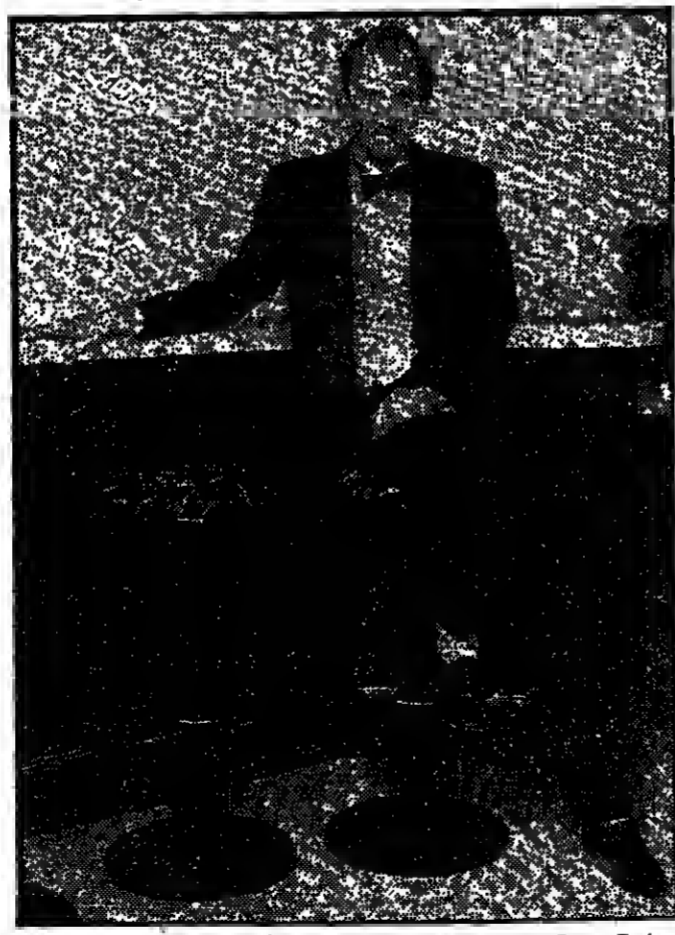
One man and his wardrobe

ANYBODY who knows Robin Wight, chairman of Wight Collins Rutherford Scott, one of the more high-profiled young advertising agencies, knows about his bow ties. He has around 100 of them and never wears any other sort of tie. "If you are as long and thin as I am," he says, "an ordinary tie makes you look much more of a bean-pole. I think a bow-tie is a judicious mixture of modesty and exhibitionism and you get less gravity on it."

"I buy only Dunford Wood bow ties and I get them all from Blades of Savile Row. They are all made from hand-printed silk and come in lovely colours. I only wear ties I like myself. A lovely man at Turnbull and Asser took the trouble to show me how to do it."

selection of fabrics they actually fit. If you're tall, as I am, the terrible thing is that shirts are always coming away and revealing bits of flesh. I've been caught so many times buying pretty shirts that don't have long enough tails so now I stick to Turnbull and Asser. They may seem expensive but it's actually quite practical—for instance, they'll put a new collar and cuff on an old shirt when they're worn through.

"When it comes to suits, in my job I don't want a straightforward business suit. I like them well cut and well made but with a touch of imagination about them. I often go to Harvey Nichols' mens' department. I don't know who does the buying but he has marvellous taste."



Pictures by Roger Taylor

fit properly but Cerruti and Armani seem to fit me extremely well. "The one I'm wearing today (see photograph above left) comes from Blades of Savile Row. Laurence Wilcox designed it and he knows how to get it just right. It looks like a straightforward suit but when you look more closely at the cloth you become aware of almost a trompe l'oeil effect—the charcoal wool cloth has a satiny stripe with fine stitching still left in it. It is beautifully cut and made but it has some imagination in the fabric."

It doesn't make me look like an upmarket flasher. "At Harvey Nichols' fashion show my wife spotted a wonderful Claude Montana dinner jacket (photographed above right) and although it was expensive it's not something you buy every day and it is the first dinner jacket that I liked enough to put away my tails. It's made from a lovely fabric and I wear it with an embroidered waistcoat I also found at Harvey Nichols. I like dressing up in the evening to wear something a little bit more interesting without looking like a bookie."

"I've also got a black Claude Montana sweater I wear a lot and another favourite thing, a Christmas present from my wife, is a Mission cardigan which I can wear as a jacket out of doors or to dinner when worn with a bow-tie."

"I have very little time to shop so I go to the few places where I know I can get what I want. But I don't have much dress sense myself—basically if ever I look decently turned out it's really due to my wife."

Find your style

ONCE UPON a time decisions about how a man dressed were strictly between him and his tailor. But neither men nor tailors are quite what they were. The bespoke suit is a dying species and plenty of men who have never set foot inside a Savile Row establishment mind considerably how they dress.

So where does the man who needs help go for advice? Some, like Robin Wight, having found their personal style, go back again and again to the same shops, where assistants get to know them and their tastes. But for those who have yet to find their personal style, perhaps an objective eye on their wardrobe is what's needed.

Last week I mentioned two young women who specialise in helping other women get their wardrobes together—one of them, Ceril Campbell, who dresses men and women professionally for television and films, is also prepared to sort out men's wardrobes.

Most Englishmen, she thinks, are not very good at putting things together. For instance, if they can't afford expensive suits, much can be done by wearing good accessories—belts and shoes that match, the right tie. Very often these don't need to be expensive—particularly nowadays when so many of the new chains, like Next, are offering for men what has long been available for women, co-ordinating colours and complete outfits.

As for most men's weekend wear—here she finds they so often get it wrong. He might wear a blazer with jeans with a firm crease down the front and the same striped workshirt left-over from the week and his city shoes. A Frenchman would put the blazer with some relaxed jeans, like Levis, would wear a Lacoste sports shirt, some marvellous coloured socks and carefully chosen casual shoes and look a whole lot better.

She believes accessories are as important for a man as for a woman and will advise on how to choose a wardrobe to enable you to travel lightly but well, how to make your clothes work harder for you and how to smarten up the clothes you already have.

If you are interested in the service contact Ceril Campbell by telephoning 01-731 5889.

Trail blazers



AS MEN have become increasingly interested in their clothes, so the department stores with the wit to sense a trend, have livened up their menswear departments. House of Fraser stores first developed a range of leisure wear which took off so well that it had the bright, if somewhat predictable, idea of getting Hardy Amies to design a collection of menswear specially for its stores.

Hardy Amies, as almost everybody knows, is what might be called the doyen of the menswear business. Effortlessly confident, not to say dogmatic, about what the British man should wear, he has decreed that the current look should reflect "a return to the classic British style."

Of his first collection for House of Fraser he said: "This is a BIG [sic] collection. It is designed to make men look BIG once more and it will be good for BIG business." He is the classic exponent of the theory that a suit, to do its job properly, should establish status and those who think likewise should hurry along to House of Fraser stores and seek out his status-establishing suits.

For versatility, the Hardy Amies solution is photographed left. A pure wool navy blazer, £55, is worn with pure wool trousers (choose from navy, fawn, silver grey, fawn or navy check), £35 with a white blue or cream cotton shirt (£14.99) and a woven crepe tie, £14.99.

How many Japanese do you know with back-ache?

For centuries the Japanese have been sleeping on futons, which provide natural back support.

Futons are slim mattresses, filled with layers of pure, fleecy cotton. Not only are they wonderfully comfortable, they give the firm, even support needed for perfect rest. Futons can be used on any base, or on the floor. And during the day, they can be rolled up to make more space.

Futon Company futons are made in the traditional way in England. Why not give your back the support it deserves?

Singles from £57.50. Doubles from £87.50. Futon Company 82/83 Tottenham Court Rd, W1 636 6984 • 654 Fulham Rd, SW5 736 9190 • 267 Actway Rd, NG 340 6126 10-12 Rivington St, EC2 729 0670



LEISURE

Gerald Cadogan on the battle over Navan
Why a green hill unites Ulster

FEW MATTERS in Northern Ireland unite public opinion, but the present threat to Navan, a town of 10,000 people, is a traditional capital of Ulster and the site of the most important historical and archaeological monument in the province — is doing just that. A proposal to enlarge a limestone quarry bordering the ancient site and in the middle of the sacred precinct has met wide opposition and will be the subject of a public inquiry in June.

Navan is near Armagh, on the top of a hill with splendid views which include the pinnacles of the two cathedrals of Armagh some miles to the east. Its ancient name was Emain Macha, which even the early geographer Ptolemy may have been vaguely aware of in the 2nd century.

Two early Irish tales link the place with Macha, the war-goddess who gave her name to both Emain and Armagh (Ard Macha, or the Hill of Macha). In the Ulster Cycle of tales of the 7th and 12th centuries, an inspiration for plays by Yeats and Synge, Emain Macha is the legendary capital of the Ulster warriors, who were always at odds with their great enemies, the warriors of Connaught. Its role is as important as that of Camelot in the Arthurian legends.

Emain Macha can also be associated with the end of paganism and the arrival of Christianity in Ireland. The man seen as the first Irish monk was its greatest king, Conchobair (Conor). In the wars and shifts of peoples in Ulster the place was a natural focus, and was destroyed as the Ulstermen were pushed into the extreme east of the province. Till then, its importance as the

political centre of Ulster and perhaps even the most powerful overkingdom of Ireland, may be reflected in the fact that St Patrick came to the region of Armagh. Armagh became the Christian capital of Ireland on the back of the pagan glory and power of Emain Macha.

Though Emain Macha was destroyed, its memory still lingered. There were mediaeval fairs there, and in 1337 Niall O'Neill, king of Ulster, built a house, to associate his family with the old capital. By the 17th century the house had gone, but visitors saw the bank, ditch and mound that are there still.

Its archaeology is as long and complicated as its legends, and as important and supports the idea of a religious centre. Navan is the only archaeological site in Northern Ireland to be nominated by the Department of the Environment to UNESCO as of international importance.

Navan Fort is the principal monument, and the limestone quarry adjoins it. In fact it is not so much a fort as a sacred enclosure, with a bank and ditch enclosing an area of about 18 acres. The bank is the ditch which is a sacred enclosure, with a bank and ditch enclosing an area of about 18 acres. The bank is the ditch which is a sacred enclosure, with a bank and ditch enclosing an area of about 18 acres.

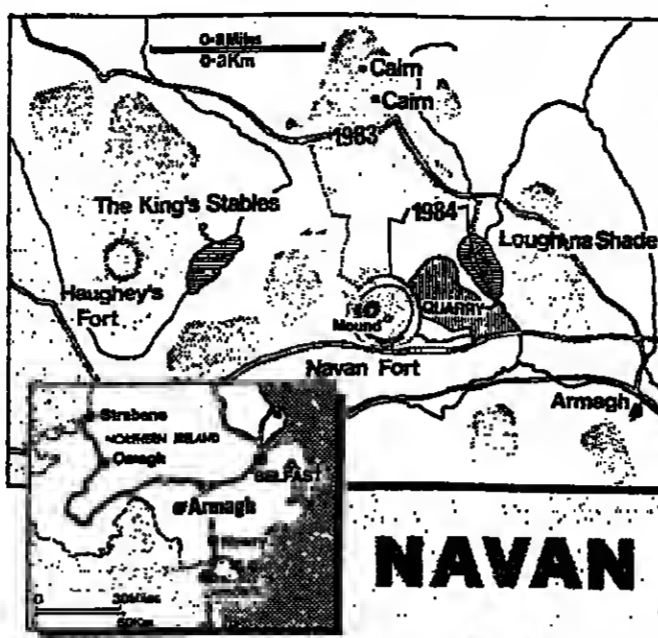
gradually gave way to those of iron. The building types stayed the same. A round house and a stockade were rebuilt time after time on the same spot below the (later) mound. It was a settled community.

The most bizarre find of all Irish prehistory was in one of the houses — the skull of a Barbary ape which has to have come from Spain or North Africa. We do know of other exotic animals in archaeology and of gifts of them to historical records, but this must be the most surprising.

Late in the Iron Age, about 100 BC, an enormous huddling of 40 metres across was put up, with five circles of posts and a great central post of oak as a totipole, coming from a tree over 200 years old when it was cut. Later, the great huddling was covered with pebbles and its superstructure set on fire and the mound there today erected. One can find this way of marking the spot over 2,000 years earlier at Lerna in Greece, when the burnt ruins of the ruling house were covered with a tumulus with a ring of stones round its edge.

When in use, the great building at Navan was unusually clean, with little debris on the floor. Since regular houses are dirty one must interpret the building as a religious centre. Near its sacred lake, Lough na Shade, four bronze trumpets were found in the 18th century, with human skulls and animal bones. All would have been offerings. One trumpet survives in the National Museum in Dublin, a fine Celtic piece and man-made.

Lough na Shade itself had a Late Bronze Age predecessor in the deliberately dug pond at the King's Stables to the west of Navan. A small dig in 1975



*1983 and 1984 on the map refer to planning decisions

found evidence to suggest animal, and perhaps human, sacrifice, and the making of bronze swords, which would have been a most valuable craft. West of the King's Stables is Haugh's fort, which seems to be a true Iron Age hill fort — and thus a place of everyday life — of the sort of which there are so many throughout the British Isles.

This group of monuments forms a landscape of religion as important for Ireland as that round Stonehenge is for England, and invested with far more legend. In the middle of it, between Navan and Lough na Shade and cutting them off from each other, is the big open wound of the quarry.

The quarry has been at work since the 1950s. In 1963 Armagh Limestone Mills Ltd, the owners, failed in a bid to develop 134 acres which would have encroached on half the circumference of Navan and destroyed the land that unites this unique group of holy places.

A reduced plan was produced in 1984 and has been approved by Armagh District Council. The vote was 11 to 8 and along party lines, except for Mr Douglas Hutchinson (Democratic Unionist Party) who voted with those who see Navan as a vital part of the heritage.

The outcry from the public and the media has cut clean across the old divisions and has led to Mr Christopher Patten, the Minister responsible for the Department of the Environment, ordering the inquiry. At issue is what will happen to the environment in the literal sense — the surroundings — of a green hill with a truly special history. How much damage is acceptable nowadays? If it were filled in after use, when would that ever be done? What are adequate safeguards? From whom, or for whom? How did the quarry happen at all? What about the possible loss of 30-40 jobs? The inquiry will weigh Navan limestone against the history of the country.

Ian Hamilton Fazey on the eve of the Marathon
Shoes just made for running

AS THE London Marathon winds its 26.2 miles tomorrow from Blackheath to Westminster Bridge, another competition will be taking place within the field of thousands of runners — the one for their feet. The results will be important — the victorious company should be able to tighten its grip on general leisure-wear markets.

The Marathon has helped make sporting goods and services a burgeoning but desperately competitive industry. London has become a promotional event for manufacturers, wholesalers and retailers — for spring is when people buy new gear.

It is the time for new models and price increases. It does not really matter much who wins the race proper, the "London" is about the triumph of citizen runners struggling to "beat the distance" on live television and that it what the industry hopes will once again stir their sedentary neighbours to go out and buy.

The U.S.-owned company Nike is a hotter favourite to win the feetrace than Steve Jones, the world record holder, is for the footrace, even though Jones himself runs in Reebok shoes, whose sales in Britain are now in the charge of the London Marathon race director, and 1985 Olympic gold medalist in the steeplechase, Christopher Brasher.

In a move that shook the industry, Brasher's distributor company, Fleetfoot, switched to the UK-owned Reebok last year from the U.S.'s New Balance. This destabilised the market, where New Balance's ever-expensive shoes — Fleetfoot was chartered in dollars — had long held second place to Nike.

Meanwhile Reebok's former top marketing man, John Ovenden, went to New Balance, which switched to direct selling and a sterling accounting base to keep its prices down. Ironically, although Reebok, which is owned by Pentland Industries, has a factory in Bolton, it has most of its shoes made in the Far East, but in spite of its American origins, New Balance makes its shoes for the UK market in Worthington or Tralee.

However, these company's shoes are not the only ones in the race. Other leading contenders include the German-owned Adidas and Puma, the former distributed in Britain by the Cheshire-based Sizerger from Baiter, West Yorkshire. Then there is Brooks, now owned by Wolverhampton makers of Hush Puppies, and the Shoebury-based company, Hi-Tec, which makes budget priced shoes in the Far East which have few serious runners take seriously.

Nike, which is run by the shoe. All of them claim to be doing well, which, of course, cannot possibly be true. What's more, what tomorrow is the best objective indicator of market share. This is because only those few hundred who have run a marathon in under 2 hours 40 minutes quality for the race by right. Nearly every other British runner is selected by computer-controlled quota sampling from the original tens of thousands of applicants. Since this produces a good cross-section of the running public, the London Marathon shoe count is therefore the best market survey there is.

Brasher applies one caveat, however. "People run marathons in well-worn, comfortable shoes," he says. "It tells you what they are buying a few months ago. The shoe count will not necessarily reflect market changes under way right now. We have a lot of sales in the pipeline that will not show up on runners' feet in races for a few weeks yet."

Mike Deegan, an international athlete who is managing director of the Hyde-based Ron Hill Sports — which is in manufacturing, wholesaling and retailing of running gear — confirms this. He says that Reebok shoes — mostly new models — have recently been selling out as fast as they have been supplied.

Other leading figures in the trade report New Balance's position faltering and supply problems with Adidas. Ovenden says New Balance is now concentrating on pushing its "Rolls-Royce" image — most expensive shoes retail at £100 a pair — compared with £30 to £45 for any number of adequate competitors, including some in the company's own range. Retailers admit to liking New Balance's margins but not to the cost of carrying much stock.

Meanwhile, Foster says that Nike's company was named, incidentally, after the Greek goddess of victory) has continued to do "fantastic business" with sales up 130 per cent on last year. His year-end is still a few days off but he says that Nike has already broken a "double million" barrier, more than 1m pairs in footwear and 1m items of sports clothing. With figures like that, Nike must soon be pushing Adidas for overall sports market leadership.

The footwear is in all sports but the figure to compare with is that for 1981-82, when Foster says total footwear sales were about 80,000 pairs. Growth since then reflects what the London Marathon has done for participant sports in Britain and shows just how significant it has been. It provided Nike's base to move into other areas, which it has been doing steadily for four years.

The first race was in 1981 and the British running boom, as elsewhere in the world, has been a phenomenon since then. Greater health-consciousness has fuelled it. The spin-off has been manifested in many areas, bringing intense commercial activity and creating jobs.

A barometer of progress is Running Magazine, which was called Joggings and selling a barely viable 20,000 as a bi-monthly in 1979. It changed its name in 1980 and then went monthly just before the second London Marathon. Last year its circulation grew 23 per cent to 55,500.

Editor Andy Etchells says advertising has grown 12-fold per issue over 1979's figures in effect, a 24-fold growth in annual rate. Since they are usually the runner's most expensive item of gear, shoes have provided the bulk, but shoe shops, electrolytic "energy" drinks, apparel, watches, electronic gadgetry, discounted life insurance, mail order, books, and running events are also prominent.

Foster believes that the spin-off into general markets will continue to grow. Nike is already developing its shock-absorbent shoe technology — it uses a patented system which traps a bubble of air inside the sole — for everyday footwear. People who stand or walk a lot will be targets.

Other leading figures in the



Langer: his supreme moment

Rupert Cornwell reports on Germany and its Master
Langer, the one-day wonder

WHAT MUST a sporting prophet do to win honour in his own land? In a way, it is superfluous to sympathise on such a score with Bernhard Langer after his ascent last Sunday to the very pinnacle of world golf. The 27-year-old West German is \$126,000 richer after his efforts in Augusta, Georgia — and a seven-figure sponsorship property for years ahead.

And yet one might have imagined that a country bogged down in debate over the perils of uncertainty of Star Wars, and harassed by this season of anniversaries of a terrible, still unforgettable past, might have relished something about which it could crow unashamedly. But Langer's victory in the Masters, arguably the most prestigious stage which golf has to offer, was but a one-day wonder in West Germany, a sideline on the serious things of life.

Remarkably, he had never before won any tournament on the American tour, the hardest school in professional golf. If a Fijian were to win Wimbledon, or cricketers from Ecuador defeat the West Indians — feats scarcely less improbable than a German winning in Augusta — they would surely become national heroes. Langer, though, remains no more than a curiosity at home, except perhaps in his native Amhausen, close to Augsburg in the south.

He learnt the game there, caddyng as a boy for DM 2.50 (then barely 25p) a round, before practising himself when the day's work was done. His mind was quickly made up about his future career. At 15 he was an apprentice professional in Munich, at 17 the best golfer in Germany. At 18 he was a full-time playing professional making his living from tournaments. But Germany itself has seen little of him.

Langer is much better known abroad, especially in Britain and the U.S. That is partly due to two second-place finishes in the British Open in the past four years, partly to an epic duel which Langer lost to Seve Ballesteros, the Spaniard, an aching rival on the Continent and by no means close friend, in last autumn's final of the Wentworth matchplay.

But when his supreme moment came last weekend, the West German Press was hardly there to witness it. A couple of papers, perhaps, had their

story. For the rest, it was left to the news agencies to explain such arcana of the game as "par" (rendered gracefully in German as *Platzzeit*), as well as "birdies" and "eagles," of which Langer had more than his share in Augusta.

Gradually, though, this perceiving young man (non-smoker, teetotaler and deeply religious) may be starting something at last in his own country. Traditionally, access to golf in Germany has been as elsewhere in mainland Europe, limited, hugely expensive, and practised at clubs as much social as athletic centres, strange throwbacks to a vision of a snobbish England, where the food and the company were at least as important as the game itself. In the popular consciousness, golf came far behind Continental sporting enthusiasms like cycling, fencing or handball.

That is now changing. True, as Langer himself complains, the West German still has only one truly public course, in Düsseldorf. But 10 new clubs opened in 1984; the number of playable courses rose by five to 179, and

tion, despite strictures from forest-loving environmentalists. True, there were only 67,332 registered West German golf club members by the end of last year, compared with almost 1m in the UK and around 12m Americans. But the Federal Republic now stands second in Europe to Sweden; clubs have huge waiting lists, lessons for professionals are booked out for weeks ahead.

That does not mean that West Germany is poised to become a world power in golf. Life, according to Jan Brägelmann of the German Golf Federation (DGV) has become too coddled and comfortable to produce the hungry young tigers of whom champions are made. "A club professional can earn quite enough without risking everything by joining the tour."

Langer, son of a humble stonemason, is the exception to prove that rule as well. But it means that the man whom the American Press has already dubbed "the best German out of the stand since Rommel" on account of his skilled bunker play, seems destined to remain

Antony Thornecroft on buying oak
Back to the roots of rural England

WHEN CHARLES II came into his own in 1660 he brought with him some of the fashions he had picked up during his travels in exile. One was a liking for furniture made of walnut. It marked the start of the decline of oak, that traditional English wood. From 1700 onwards, oak was popular only in country districts. Fashionable society had moved on towards mahogany, and style, and the sophisticated furniture of the 18th century.

But in the 1920s oak became smart again and the new rich, both in the UK and the U.S., were happy to fill their mansions with choice items of Jacobean furniture, paying prices far above current levels in the market of the day. The trend did not last, but in the 1970s oak entered another phase of appreciation which is still in full swing, both in price and as a decorative wood.

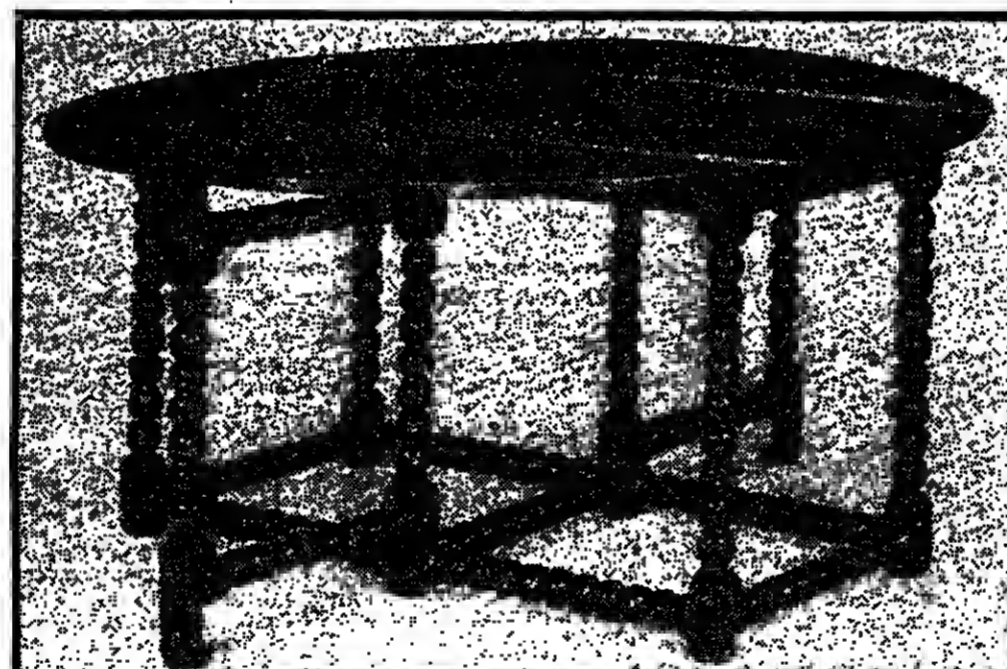
On Friday Sotheby's is holding an auction of oak furniture. It is the only major auction house to hold specialist sales in this area of interest; it has reduced its involvement over time, mainly because of shortage of supply. The majority of pieces of oak furniture must have been destroyed in the 19th century. Collectors who have entered the market in the last 15 years tend to be fanatics for oak, who rarely sell off their pieces: death and domestic dismantling is the

main supplier of the lots on offer in the saleroom. This year Sotheby's plans two auctions only.

Since 1970 the price of good oak furniture has risen steadily, with a sharp set-back in the mid-1970s following the oil crisis, and a more recent readjustment, in which good pieces continue to appreciate rapidly while mediocre or musty restored oak furniture rises modestly in price. This is an unusual market: the British are the main buyers, plus a few Americans. It is dominated by dealers who know their way around furniture which might have attracted the attentions of restorers and rogues.

Sotheby's has the advice of an expert on oak, Victor Chinnery, whose book on the subject has helped to set guidelines in the market. He reckons that the great boom during the 1960s boosted a 17th century oak chair from £200 to £2,000 during the decade. Since then it might have appreciated to nearer £3,500. Twenty years ago it could have been bought, perhaps, for £50.

The boom in second homes, in the restoration of old country farmhouses and small manor houses, has sparked off today's demand for oak furniture. These days, we want to fill our homes with furniture compatible with the construction of the house. Old houses that are advertised in *Country Life* are being fur-



This Charles II oak table sold for £25,200 at Sotheby's last year — a record auction price for English oak and over twice the pre-sale forecast

nished with oak. Also, compared with 18th century furniture, oak is now remarkably cheap. The highest price at auction for English oak is the £25,500 which secured the (illustrated) Charles II table last October, a price double its estimate. Other items which provoke brisk bidding are oak beds which, in their original condition, rarely reach the market; last year a Tudor tester bed sold for £19,000.

Friday's sale contains no exceptional lots. An Elizabethan cupboard, dated at around 1580, is the most expensive item, with a top estimate of £12,000. A rare Charles I cupboard of 1628 carries a high forecast of £10,000. But a large James I

cupboard, with some restoration, might be secured for £3,000, and there are many finely carved oak chairs of the early 17th century for £2,000 or less. First-time buyers should be concerned about the amount of restoration required, but Sotheby's will give advice, and will stand by the descriptions given in the catalogues.

Large early 17th century cupboards, which are fairly common, offer, perhaps, the best bargains. 18th century country oak which is still remarkably cheap, too. Smaller items, like stools, tend to do best because they fit into today's modestly sized homes — and the rare, 16th century (or even earlier), chairs and chests can be cheap

— they lack sophistication. As always, finely carved, unrestored items show the highest appreciation — nine James II chairs sold at Sotheby's for £4,950 in 1982; and made £8,140 nine months later.

Oak furniture is a small, specialist, somewhat insular market. Compared to 18th century furniture, with its high prices, international demand, and widespread expertise, oak is still largely unexplored territory. But it has its attractions — it is sturdy and heavy with integrity; it reeks of history; it is rare. Oak might not fit well into London flats but as the escape to rural roots continues, there should be no shortage of new collectors.

June Field on humble thimbles
Just a stitch in time

LEWIS CARROLL'S Snark was hunted with one. The Dodo presented one to Alice after the race that never was. Mark Twain's Tom Sawyer was cracked on the head with one by Aunt Polly.

The humble thimble has been well-documented since the 12th century, when a Moorish poet from Seville, Al-Liss, aptly described it as "like a helmet, nicked where thrusting lances pricked."

Although references to protecting the finger while sewing go back to antiquity, it is open to debate whether or not the Romans used form of guard. In *Servius Accursius: An Illustrated History* (Snuverin Press, £8.95), Victor Honart, refers to open-ended thimbles found in the ruins of Herculaneum, buried in 79 AD by the eruption of Vesuvius: "The Roman thimble, made of bronze, iron, gold or ivory, was shaped like a rounded cone or olive."

Edwin P. Holmes, in *A History of Thimbles*, published this week by Cornhill Books, is doubtful about the existence of thimbles in Roman times. One of the earliest remains on Greek and Roman authorities, Sallio, probably got his records mixed up, confusing thimbles (des à coudre) with gaming dice (des à jouer).

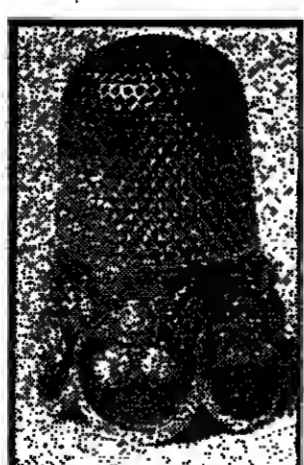
Both books are lively aids to recognising some of the earliest domestic tools, many now obsolete. Holmes devotes more than 250 A4 size pages to the identification of thimbles alone. He first began collecting nearly 20 years ago, buying up a small collection at auction in the

mid-1960s. His first book, *Thimbles*, appeared in 1976. This new publication records oddities like "thimble-rigging" (a version of the three-card trick), and the cable thimble, so-called because it was used to make an improvised battery which sent electric current through one of the first transatlantic cables.

Numerous illustrations are useful, if a trifle confusing: there is no continuity of scale, and measurements are not always given. Reproduction would be better, too, given the £24 price. Available from book-sellers or from Sarah Mamon, Cornwell Books, 25, Sicilian Avenue, W51.

All sewing addicts enthusiasts should belong to the Thimble Society of London, formed in 1981. Over 1,000 members cover Britain, France, America, Dubai and Singapore; Members of Parliament and magicians, surgeons, stock-brokers and housewives. The subscription, £4 a year, includes a quarterly magazine, a search and mail order service, lectures, and advice on dating, restoring and cataloguing. Stamped addressed envelopes for details or to Friday 10-8, to Bridget McConnell, The Bees, Gray's Antique Market, 38, Davies Street, W1 (01-498 0560).

She contends that, as an investment, thimbles rival banks, building societies or shares. For example, a "Jenna" Walker, a Queen's Jubilee thimble made in 1889, £20 in 1981, now costs £34 for a later version. A Worcester porcelain thimble, 1891,



Multi-colored gold thimble with turquoise, c 1860, from *A History of Thimbles* by Edwin F. Holmes

sold for £80 in 1981, could now be nearer to £150. Even modern commemorative works have increased. A Queen's Jubilee thimble nearly doubling in price in three years.

Records at auction include a £5,000 Meissen thimble at Christie's a few years ago, and a similar figure for a pair of gold thimbles sold at Sotheby's last autumn.

A popular category are the variety of "Dorcas" thimbles made by Charles Horner, retail jeweller of Hebden Bridge, Yorkshire. He patented a silver thimble with a steel core to give it strength, and named it after a "lilical" character. Tabitha "which by interpretation is called Dorcas" (she was a woman of good works who made coats and garments. When she died, Peter commanded her to arise. "And she opened her eyes."

Now the Gould rush

ON WEDNESDAY night Mr John Marshall, the chairman of Sotheby's U.S. operation, will rap his gavel on the rostrum at Sotheby's purpose built saleroom in York Avenue, New York, to call to order some of the richest art collectors in the world in the hope of selling in the next hour or so the Impressionist pictures of the late Florence J. Gould for something around \$30m.

If he succeeds he will have set a record for any auction session and will, probably also have established a record price for an individual item of art — a painting by Van Gogh of the wheatfield he saw from his asylum window at St Remy; it could make \$10m.

Sotheby's is doing everything in its power to make the Gould sale a success. It has trailed the most important pictures around the world and produced a hefty catalogue, which itself costs \$50. But what has raised most eyebrows is the terms it is offering to potential bidders at the sale. Financially respectable private collectors, dealers and museums need only pay out half the sale price on the spot, making up the difference over the next 12 months. They will be charged interest, ranging from the prime rate to 2 per cent over, depending, presumably on their importance as Sotheby's clients.

Sotheby's is also notifying potential sellers that it will advance up to half the lower price estimate on any goods it is auctioning for them, with the remainder to be handed over after the sale, also with interest charges on the loan. It does not expect to offer such terms in many lots, but the opportunity now exists and the practice will



Sotheby's president, Mr Michael Ainslie, justifies giving credit to some of the richest people in the world because of the weight of antiquities coming up for auction in the next month. Sotheby's is expecting to take in \$40m from three sales, and Christie's should make \$20m from a major Old Master auction and other sales. Then there are yet more important Impressionists on offer in June. The worry is that although the market is currently very strong there might not be enough ready cash around to buy all the goodies.

Both Sotheby's and Christie's have allowed dealers to buy on credit for centuries but advancing cash to potential bidders is a sign of the competition between them. At the moment Christie's is trying to hold aloof, protecting its purity as an auctioneer and letting Sotheby's get involved in banking. But in its unsuccessful bid to handle the Gould sale it must have offered the trustees some incentives; these days no auction house can afford to be too gentlemanly.

Antony Thornecroft

Saturday April 20 1985

Questioning the recovery

WHEN INFLATION rises quite sharply but bonds hold steady and equities are weak, the markets are telling us something important. That pattern emerged both in Throgmorton Street and in Wall Street this week. In America, the pattern needs little explanation: the economy is slowing sharply, profits are squeezed, and the market is responding to the end of the Reagan boom. So much for the President's promise, only a few weeks ago, to unleash the bulls.

In London, though, the surface evidence suggests something better. Growing output and employment, optimistic industrial surveys, and interest rates which are visibly falling, even if only through a kind of slow-motion leapfrog, might all be taken to argue for an improving outlook. That is a very short view, though; look back more than a couple of months and we see interest rates sharply up, competitiveness squeezed, and exports prospects clouded.

The markets are showing a good deal more sophistication than they once did in reacting to economic news. They know, for example, that the inflation series is the economic equivalent of a driving mirror—it shows you where you have just come from.

The disappointingly high figure for inflation this month and the higher figure expected next month, do however carry one message for the future. They mean that the rise in real incomes has slowed sharply, for not only have costs accelerated, but nominal earnings are rising just a little slower. Prospectively, the home market looks flat. Inflation will no doubt come down again in due course, as the Chancellor predicts; but it begins to look as if growth will come down with it.

Look overseas, and the picture is repeatedly more strikingly sombre. Some Asian economies have been suffering a sharp setback for the last six months, due to falling sales in the U.S. In Germany car sales are down nearly a fifth, and stocks are enormous. Troubles like these spread.

Plain language

These developments largely explain the sudden renewal of argument about the economic fundamentals which can be heard all over the world. In the circus of international meetings now building up towards the summit next month, all sorts of recently unmentionable ideas are being aired—international monetary reform, surveillance of everyone's domestic policies by the IMF and punitive measures against what is seen as Japanese protectionism.

These, however, are rather

gadgety ideas, and discussing them helps to avoid mention of the two possibilities which are still discussed rather in code than in plain language. The pressing threat is that the U.S. Congress, seeing jobs, sales and domestic growth leading abroad through the huge current account deficit, will turn from anti-Japanese talk to general protectionist action. And that brings in the other unmentionable: it may be that the only effective answer to this trade threat will be for America's trading partners to abandon the fiscal austerity they have achieved with so much political pain, and take over some of the role of borrowing and importing from the U.S.

This reactionary idea is close enough to the political surface to have earned a health-warning from the IMF, as disciplinarian as ever. Those in favour—the West German economic ministry (which like our own long-dead Department of Economic Affairs has a rather marginal influence on policy), the OECD secretariat in Paris, and even the French Government—are still keeping rather quiet.

Public plans

The academics, however, have no reason to be reticent, and have indeed been laying public plans for the end of the U.S. boom for some time. It is 18 months since the Institute for International Economics in Washington, run by a former U.S. Treasury Undersecretary for International Affairs, began to argue for a refation in Europe and Japan to balance the necessary efforts of the U.S. to close its deficit.

The ideas are hardly new. The idea that international disciplines based on co-operation work better than the disciplines of market forces go back some 40 years; and the architects of Bretton Woods were seeking ways to avoid the chaos which resulted from floating exchange rates—and protectionism—in the 1930s.

The new economic think-tank in this country, graced by the recent head of the Treasury, run by a newly retired Treasury economist, and backed by ex-Ministers of every persuasion, will no doubt be told in due course that its own proposals are old hat, or cheesebowl economics, and that there is still no real alternative; it is the fate and duty of academics to proclaim ideas a little before their time comes (or in this case, comes back). However, if the markets are right about the economic prospect—and they are likely to be wrong only if falling interest rates stimulate a big wave of investment—then we may soon learn, not for the first time, that government doctrines are partly expendable. Amateur economists should hush up their Keynes.

BRITAIN'S BIG but stodgy furniture industry is scrambling to adapt to a revolution in the retail trade.

This week's agreed £615m bid by Associated Dairies for MFI highlights the increasing concentration, of furniture retailing in a few giant chains operating from suburban warehouses far from the traditional high street shops.

The shakeout in the high street has been rapid and brutal. The National Association of Retail Furnituremen has lost nearly a quarter of its members, now numbering just under 1,000, in the past two years alone.

Industry analysts agree that the big chains, like MFI, Harris Queensway, Habitat and the department stores, will increasingly command the volume and of the trade, forcing high street shopkeepers to specialise if they want to survive.

These developments have put great pressure on the country's 1,400 furniture manufacturers, most of which are small family firms. A few producers are putting a major effort into meeting the strict quality, volume and delivery demands of big chains. Others are taking new initiatives to raise the image of their up-market products, both at home and overseas.

So far, not enough has been done to halt the rising share of imports in the £1.4bn UK market, now running at 22 per cent. But for the first time in about five years, industry leaders are guardedly optimistic that the tide may be turning.

"The British furniture industry has become very innovative," says Mr Gerry Woolven, national secretary of

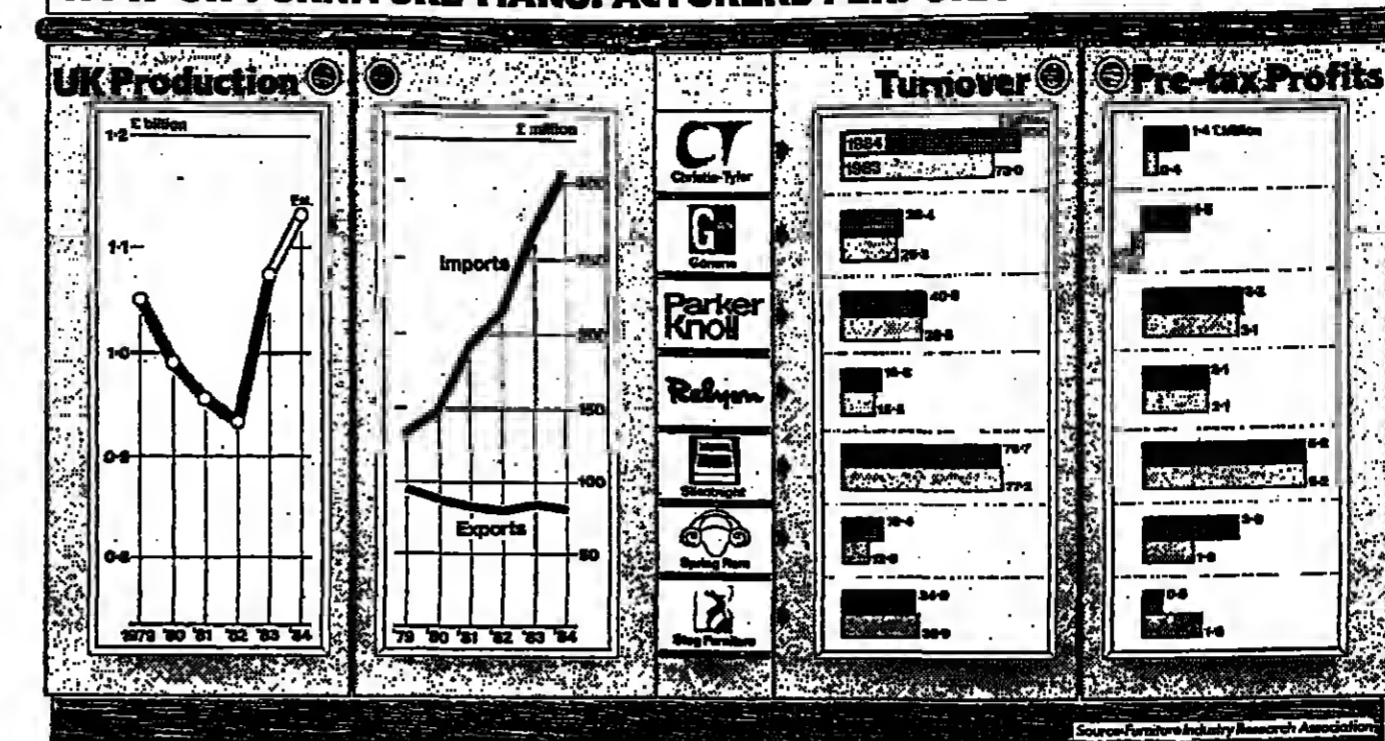
Industry leaders think the tide may be turning

the British Furniture Manufacturers Federation (BFMF). "Quality is up and I'm very optimistic."

Perhaps the most encouraging moves have been in the fast growing kitchen furniture sector, where new companies like Kitchens Direct and Spring Ram have been able to come in and pick up significant market shares in a very short time. For example, turnover of Kitchens Direct, a subsidiary of Hawley, has gone from £3m in 1982 to £35m last year.

More mature companies too have been adapting. Christie-Tyler, the largest UK manufacturer, last year opened a firm highly automated factory at Scunthorpe dedicated to providing living room suites for Harris Queensway in high volume. Mr Kevin O'Sullivan, finance director of Christie-Tyler, says the group is satisfied with this venture, and sees the need to do more like it so that the manufacturer and big retailers work more closely together.

HOW UK FURNITURE MANUFACTURERS PERFORM



But such ventures are still fairly exceptional. Overall, the manufacturing industry has not responded to the challenge of the retailing revolution, and so has yet to recover from the market slump of the early 1980s. The alarm bells first went off in 1979 when the value of furniture imports exceeded exports for the first time. This was a heavy blow for an industry which had long prided itself on the quality of its products and its big contribution to the economy. At the time, the industry employed about 90,000 people, most of them in hundreds of tiny, craftsman-like, family firms.

Over the next three years, the combination of recession at home and the deterioration in competitiveness caused by the overvalued pound, sent the industry into a deep slump. By 1983, employment was down to 78,000, turnover had dropped 30 per cent and home deliveries were down by 42 per cent. Many small and not-so-small producers went to the wall, and most of the large producers, including Christie-Tyler and Gomme, suffered losses.

Among the more notable bankruptcies were those of PMA and Hygena. PMA was a furniture manufacturer when Mr Malcolm Meredith took it over in 1976. He brought it back to profitability and then struck out on a series of acquisitions, including two long-established manufacturers, Gower Furniture and Harris Lebus in 1979. But the group was overextended when the recession hit and went bust in March 1981.

Hygena, a former subsidiary of Norcross, was the leading kitchen furniture maker in Britain in the late 1970s, but it suffered a succession of losses down to one-quarter largely by concentrating production, Marks and Spencer style, on a dedi-

cated local manufacturer, Humber Kitchens, a major supplier to MFI of kitchen furniture and appliances.)

Despite the traumas, there was little sign three years ago that the industry as a whole was getting to grips with the major changes taking place in its markets. British furniture makers were still organised to deal with the small, independent retailers that used to be prominent in every high street.

Because both the retailers and the manufacturers tended

Established UK manufacturers have been slow to move into the growth areas—kitchen and fitted bedroom furniture

to be small businesses, neither could afford to hold large stocks. As a result, the industry worked on long six-to-eight week delivery schedules. There was also little pressure for innovation in style or design in this circuit.

The emergence of the big suburban retail chains, such as MFI and Habitat, changed all that. They wanted style and they wanted deliveries within two weeks of ordering. They, and others, also helped develop new markets in low cost flat pack furniture, especially for kitchens.

Initially, the British companies could not respond to these demands, and so the retailers went abroad. Ten years ago, MFI bought three-quarters of its furniture outside the UK. It has brought that down to one-quarter largely by concentrating production, Marks and Spencer style, on a dedi-

cated local manufacturer, Humber Kitchens.

Habitat still imports 40 per cent of its furniture. Mr Chris Turner, the chief executive, says the group prefers to buy in Britain, but still finds that local producers are often unreliable in terms of quality and delivery, and much more expensive than foreign producers.

The established British manufacturers have also been slow to move into the growth areas of the business, kitchen and fitted bedroom furniture. In

not afford such a venture.

These trends have inevitably led to the increase in import penetration in the UK market. But the actual decline of the UK industry appears to have been arrested in 1982. "It's a question of scratching at the sand until you reach bedrock," says Mr Woolven of the BFMF.

Last year, overall production was up 5.5 per cent but the market grew by nearly 8 per cent to £1.37bn. Import penetration in all sectors continued to rise, and in the dining room sector has now reached an alarming 30 per cent. In kitchens, the penetration was 24 per cent last year, while in bedrooms it was 18.9 per cent.

The main sources of imports are West Germany and Italy, indicating one of the industry's problems. Consumers have tended to think the best kitchen furniture is made in Italy and West Germany, even though some British lines are highly competitive.

Industry leaders in the fitted kitchen and bedroom sectors also point out that the imports in these areas are inflated because of the lack of local producers of machine-made chip board and timber cabinet doors.

The dining room and cabinet sector is having to cope with very low-priced imports from Eastern Europe. In 1983, East Germany shipped 52,227 tonnes of furniture to Britain but demanded only £21.5m for it. West Germany, by contrast, got £130.6m for the 70,000 tonnes it shipped.

The BFMF is trying to get the Government to limit imports from Eastern Europe. It has also taken a number of other new initiatives recently to try to improve the sector's trade performance. It has, for example, applied to the National Economic Development Office

for the formation of a sector economic development committee (Little Noddy), and is optimistic these will be set up soon.

● Asked Sir Basil Feldman, chairman of the EDC for the clothing industry and mastermind of the Better Made in Britain campaign, to help the furniture industry in a campaign to displace imports of piece parts and finished products.

● Launched a number of initiatives to promote exports, including publication of a furniture year book and seminars on area markets.

Also, the Furniture Industry Research Association, on behalf of the BFMF and other industry associations, is in the midst of a major survey of furniture manufacturers and retailers to find out why import levels are so high.

If these initiatives are to achieve anything, there will have to be much greater cohesion in the industry than has been evident in the past. And that, it would seem, points to a greater concentration of activity in fewer firms, just as has happened in the retail trade.

That does not mean that everyone is going to be producing high volume goods for the big retail chains. Parker Knoll, which came through the recession relatively unscathed, is proof that there is still a place for the high-quality dining room and upholstered furniture maker.

There is also a place for the specialist high street retailer. But even some of them are having trouble staying in the high street because of high rental costs. Mr Michael Bonar, joint co-owner of the World of Leather chain, has moved seven

The big chains will be the dominant influence

of the group's eight shops out of the high street.

"We realised that in order to show the whole range, we needed to show up to 100 pieces. We could not afford such premises on the high street so we moved to edge-of-town sites and used the money we would have spent on rent in the high street on advertising."

But there is little doubt that the big chains will be the dominant influence on the fate of the manufacturers for the foreseeable future. Mr Phil Harris, chairman of Harris Queensway, estimates that the high street retailers still have 75 per cent of the trade. "But within five years, I would be surprised if 50 per cent of the trade was not in out-of-town stores."

It will almost certainly also be in even fewer hands. Harris Queensway, for example, recently took controlling shares in Debenhams Furnishings and Green's Leisure Centres. "The major multiples are all looking for growth," Mr Harris said.

Burdens on business

From the General Secretary, National Union of Tailors and Garmment Workers

Sir—Your article (April 10) on the Government report, "Burdens on business," does not indicate why the doubts about whether it should be published were so well-founded.

For example, the report's statement that "entrepreneurs can tolerate scruffy working conditions" indicates the continuing need for external regulation to safeguard the health and safety of employees. Yet because the report totally ignores employees, it proposes the abolition of specific controls over health and safety in favour of "flexible codes" and even goes so far as to advocate that employers should issue their own fire certificates.

The civil servants responsible for the report and their research associates spared no effort to get the managers they interviewed to criticise various regulations. Indeed, they even waved idiot cards naming the items to which they wanted objections in front of their interviewees. Yet, despite all these efforts the report admits "only a minority are openly critical of Government requirements."

This introduces the interesting concept of criticism so covert that it did not emerge during interviews lasting an average of an hour and a half and which were clearly designed to produce complaints. In fact, the unprompted responses from the managers do not indicate any serious "burden," with the possible exception of VAT.

The only "frequent and bitter source of complaint" by small business managers identified in the report is the unfair advantage "fringe" businesses obtain by ignoring Government requirements. Unfortunately, the need to devote more public resources to enforcement was outside the terms of reference of the report.

The report does not form a realistic basis for any conclu-

sion, including the imaginative calculations about employment which your correspondent produced. It is a disturbing reflection of how much the Government has lost touch with reality if it is indeed giving serious consideration to this report. Alec Smith, 16, Charles Square, NL.

British Telecom share issue

From Mr P. Richer
Sir—It seems that the sponsors of the unique British Telecom flotation are about to set another record—in the delay in paying intermediaries their 14 per cent commission for seeding in share applications. Four months have passed and still no cheque.

I shed no tears for the government brokers to the issue, who may also be waiting for their dues, but I am concerned that all the commission properly (under Law Society rules) owing to my clients, who have authorised me to send it to Oxfam for Ethiopian Relief, is probably lying in some account at the Bank of England earning interest at the expense of the famine stricken.

Percy Richer, Upton Britton and Lamb, 9, Leigham Hall Parade, Streatham High Road, SW16.

Arms control talks

From the Chairman, Ministry of Defence Group, Society of Civil and Public Servants

Sir—As someone who has more than a passing interest in the outcome of arms control talks it strikes me that one of the hallmarks of previous negotiations has been that both sides have continued to manufacture and deploy weapons of mass destruction to such an extent that I believe most, if not all commentators would agree that the point of mutually agreed destruction (MAD) has long since been passed.

Letters to the Editor

In these circumstances I find Mrs Thatcher's response to the Soviet proposal to freeze deployment of land based missiles for a period of six months both confusing and worrying. If, as the Premier asserts, such a move would give the Soviets some form of advantage—though in terms of MAD it strikes me as being somewhat meaningless—could not the West accept the Soviet offer and use the intervening six months in Geneva to persuade them of the need to reduce their deployments at least until such times as parity demonstrably acceptable to the West had been achieved?

Or am I missing the point of arms control talks?

D. A. Millar, 124-130 Southwark Street, SE1.

Technological spin-off

From Professor J. Dowell
Sir—In your item "Job for CERN?" in "Men and Matters" (April 12) you refer to my account of the technological spin-off from particle physics published in the CERN Courier (April 1985). This was actually based on evidence accumulated by a group of UK physicists for presentation to the Kewdown Committee which is currently reviewing Britain's participation in high energy particle physics. You incorrectly state however, that the CERN bill is rising annually. Measured in real terms it has in fact fallen by 20 per cent over the past decade and the present signs are that it may be expected to continue to fall. The rise in the cost of scientific and engineering research is

entirely in other areas which up to now have benefited considerably from reductions made in particle physics expenditure.

Also, I am unclear as to the origin of your remarks about military spin-offs that I failed to "hint" at. I am sure CERN has not contributed to weaponry in the past. It is obvious that accelerator developments can have such applications but I believe my failure to mention them truly reflects the absence of any based on work at CERN. (Professor) J. D. Dowell, The University of Birmingham, P.O. Box 363, Birmingham.

Plasterers apprentices

From Mr D. Bevan
Sir—I was most interested to study your admirable collection of articles on the theme of "returbishment" (April 10) but take issue with Mr Mansell on the section of his item dealing with materials.

Filthous plaster is not generally used for repair of concrete but is still used in its traditional manner, i.e. the decoration of buildings and rooms of distinction. The abilities of moulding and forming this material, which were brought over to this country many years ago from other parts of Europe, are still kept alive through companies such as ourselves.

Most years we take on apprentices, who are trained in every aspect of the production and fixing of these traditional mouldings and it is important, not only that these crafts are kept alive and adapted to modern market requirements but that this message is clearly

stated to the potential end user.

D. M. Bevan, Hodkin & Jones (Sheffield), 515 Queens Road, Sheffield.

Voluntary retirement

From Mr J. Francey
Sir—I read with interest the case for voluntary retirement put forward in Mr Williams' letter. From my experience of early retirement, unless in circumstances of a substantial residual pension accompanied by a "golden handshake" (if the sole means of income) the advice is, simply, don't.

I was retired three years ago by my employers after 25 years' service and membership of a group pension fund throughout that time. My wife and I, who have no family, calculated that we would just be able to pay our way. The commuted sum of our pension invested in a building society, and a small pension entitlement in respect of my wife's earnings, would enable us to live at a reduced but acceptable level. Our calculations were based upon inflation predictions and were, as far as we could predict, reasonably sound.

Alas, what applied three years ago does not apply today. Already our capital has reduced by £850 a year and continues to do so at an increasing rate. The situation in five years' time is unthinkable.

If you have a choice, hold on to your job at all costs. A person in a job can meet increasing charges. Someone on a fixed income cannot. John B. Francey, 59, Aytoun Drive, Erskine, Renfrew.

Capital gains tax

From Mr A. Keny
Sir—It seems incredible that the long anticipated reform of capital gains tax has once again been shelved, possibly this time for good. By delaying indexation until

1982, and basing the subsequent modest reforms on that year, the long term holder of assets acquired during the rampant inflation of the 1970s has been robbed of what is basically a capital levy.

Since there is a natural reluctance to incur such a levy, there must be many millions of pounds locked into state investments which might otherwise have provided some of the capital investment required for the new industries of the 1980s. It cannot be right to hinder the free flow of risk capital in this way.

A. D. J. Keny, 53, Cadogan Street, SW3.

Managed funds

From Mr J. English
Sir—I was most interested in the article by George Graham (April 13) headed "Managed funds have let the private investor down."

Any idiot can run a cluster of a dozen or more funds in the expectation that at least one will "beat the indices" and can be advertised while keeping mum about the others; but it is for some while that I have regarded the performance of "the managed fund" as the prime indicator of a group's "management ability." If a group can't manage its own managed fund, can it even manage a wheel-stall? Its general management ability must at least be in question.

I have been told "it is unfair to look at the managed fund in isolation, or to compare it with the indices. It probably has a high proportion of bricks and mortar." If the managers have painted themselves into a corner with a lot of assets of which they cannot dispose, is this very brilliant "management?"

Am I being unfair in assessing a group's overall management ability in looking at the performance of its "managed fund?" Jeffery English, Hangovers, Brockenhurst, Hants.

WE'LL HELP YOU CUT IT OUT

Our free, confidential consultation can provide more information about private hospital treatment for the illness of alcoholism. Ask your G.P. or ring today.

Dial 100 and ask for Freephone Manor Clinics

Manor Clinics

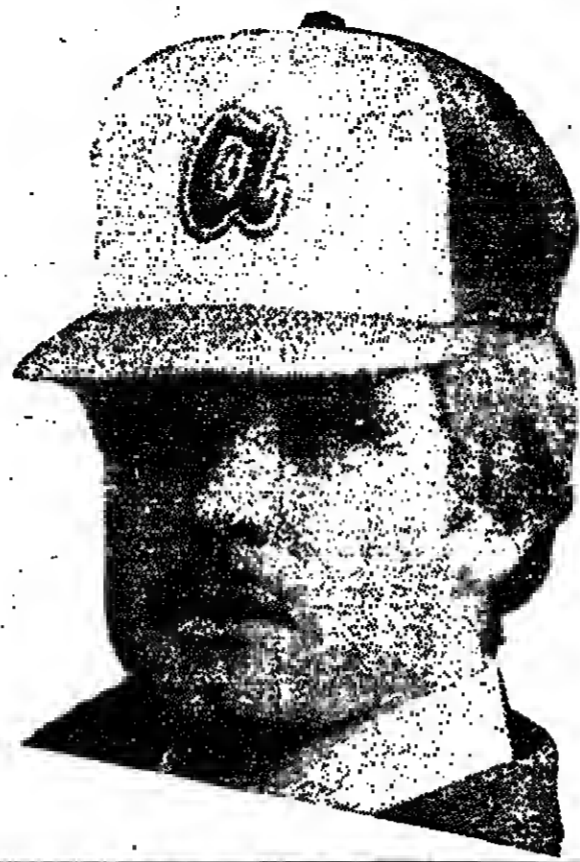
When alcohol begins to cost your spouse, friend, or employee more than money... we can help. We are private, medically supervised clinics and since 1977 we have helped families and employers cut out the emotional costs of drink or drug-related problems. We can assist, even if the alcoholic in your life has not yet asked for help.

Subscribers who are medically insured may claim benefits within the terms of their policies.

Turner's bid for CBS

A maverick takes his biggest gamble yet

By Terry Dodsworth and Paul Taylor in New York



Ted Turner

underlines the scepticism that some of the financial establishment has always had for Mr Turner's exploits. He once told a group of businessmen whose personal life intrudes into almost everything he does.

The press cannot forget the picture of "Captain Courageous" scrambling around the floor in search of a drink which sent him to the hospital. There have been similar episodes. One magazine once described him as "a charming and in corrigible wastrel who left behind him a trail of bottles, blondes, and outrage."

But shunning through this maverick behaviour is an extraordinary businessman. His career has been marked by a succession of gambles, starting from the moment when he bought back his father's Savannah billboard company, which was in poor shape after being sold off to a business partner. He was only 24 at the time, recovering from a chequered start to life as a classics dropout from the Ivy-League Brown University.

His first expansion into television was considered as equally audacious. In 1970, he bought a failing Atlanta TV station for \$2.5m which initially at least confirmed all the worst fears of his business associates. But then came satellites—and Mr Turner was one of the first to spot the potential.

He decided to turn his re-named Atlanta television sta-

tion, WTBS, into a "super station" which would beam its sports and family programming up to a satellite and back down to cable systems across the U.S. What Mr Turner was creating was the first-ever rival to the dominance of the three national broadcast television networks.

Initially, Mr Turner countered the networks' stranglehold over news coverage by running such programmes as "Star Trek" during peak viewing hours. But in 1980 he decided to confront his competitors head-on by creating his own cable news channel, a move which one disparaging Atlanta TV critic said was "like Attila the Hun deciding he is going to do a summer camp for the elderly."

It is still not clear whether the 24-hour-a-day Cable News Network (CNN) is an inspired innovation or a millionaire's round his company's neck. Despite winning plaudits from viewers, and professional broadcasters, CNN has been a tremendous drain on resources, with its international chain of bureaux costing an estimated \$50m a year to run. Since its inauguration, Turner Broadcasting has pumped over \$300m into the still-unprofitable venture, all but wiping out the profits generated by WTBS.

The finances of TBS, in which Mr Turner has a stake of around 80 per cent, have always looked shaky on paper. For years, as the company rushed forward with its headlong expansion, it has operated

at a loss, and last year it managed to rake up earnings of only \$10.1m on sales of \$282m.

In a prospectus to raise additional capital late last year, the company noted it had "historically been unable to generate sufficient cash flow from operations to meet its needs."

The issue of shares through that offering gave the company a positive net worth for the first time in years. But even now, TBS is exceptionally highly geared, with long-term debt standing at \$175m against equity of \$28.5m.

While a balance sheet of this sort continues to raise some eyebrows on Wall Street, the financial structure that would emerge from his proposed offer for 67 per cent of CBS would make nervous investors' hair stand on end.

The all-paper bid, worth around \$155 a share according to Wall Street consensus, would be a mountain of debt. About \$25.6m of it is in the form of corporate bonds yielding between 15 per cent and 16.25 per cent—at a time when top-quality corporate debt is yielding roughly 12.3 per cent.

These high-yielding, low-quality "junk bonds" are widely used in takeover bids, but rarely in such quantity. Moreover, the bid comes at a moment when federal officials have begun to express increasing concern about the future risks they imply.

Even Mr Turner recognises the risk of issuing such large volumes of high-yielding paper,

which he says will cost \$738.7m to service in 1986, rising to \$2.41bn by 1992. He acknowledges that this burden could threaten the very existence of his growing empire.

The bid will also face a formidable array of other hurdles, including the strident opposition of CBS management. The broadcasting group has already thrown up a series of anti-takeover barriers in the process of fighting off other critics and would-be predators. These range from the right-wing pressure group, Fairness in Media, which earlier this year launched a vicious attack on the company's "liberal bias," to Wall Street's most feared arbitrager, Mr Ivan Boesky.

Earlier this week, Mr Thomas Wyman, CBS chairman said that Mr Turner would not receive any warmer a welcome. Speaking at the 58-year-old company's annual meeting, he deliberately cast doubts on Mr Turner's integrity, saying that he did not think he was "moral" enough to run the network.

Stuns like this are unlikely to deter Mr Turner. The TBS chairman prides himself on his ability to think positively. "The greatest thing in this world is to be free of fear," he told journalists recently at a New York breakfast. "My father feared dying and when he had a nervous breakdown and thought he was going broke he ended up shooting himself. I have worked very hard to eliminate fear."

As the shuttle returns...

Houston shrugs off its setback in space

By Peter Marsh in Washington

AMERICA'S SPACE engineers were this week licking their wounds, after the failure of the space shuttle crew to revive a stricken satellite 250 km above the earth.

The drama of the past few days, enacted on millions of television screens around the world, cannot fail to harm the reputation of the U.S. shuttle fleet as a safe deliverer of satellites, as officials at NASA, the operator of the shuttles, are the first to acknowledge.

It may also lead to an increase in insurance rates for satellite launches and boost the fortunes of ArianeSpace, the French company selling the Ariane rockets developed by Western Europe.

But NASA engineers firmly believe that the episode, in which the Discovery shuttle made a rendezvous with the ailing Lesat, but failed to resuscitate it with a set of makeshift tools, will count for little in the long run.

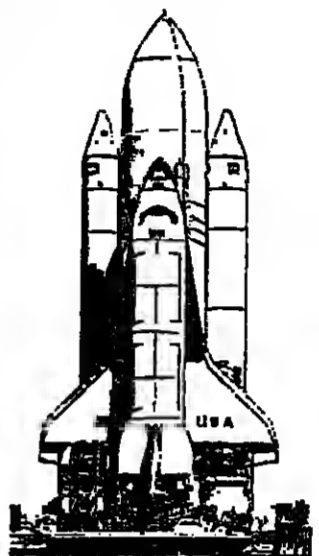
The boost motor on Lesat failed to switch on properly after the craft had drifted out of Discovery's cargo area. It appears that a small lever that is supposed to spring out, starting a timing mechanism, had become jammed. "It seems so simple—it should have been foolproof," said a rueful NASA official at the agency's mission control in Houston.

"In the long march of history, you'll never remember this," said Mr Michael Weeks, NASA deputy associate administrator in charge of the shuttle system.

"The shuttle itself is proven again to be faultless. The fault was with the satellite. It is an avionics problem not a propulsion problem."

Engineers at Hughes, the maker of the satellite, say that an unknown fault on the vehicle stopped it switching on after Discovery jettisoned it into space last weekend.

Similar problems have occurred with three other satellites launched over the past two years by the U.S. fleet of three shuttles. In each case, the malfunction was due to rocket motors that are supposed to boost the satellites into the geostationary orbit 36,000 km up from the low orbit reached by the shuttle.



that it does not have the market to itself. ArianeSpace, the French company, now has about half the market for launching geostationary satellites which now runs at about 15-20 a year. The French company has tried to capitalise on the shuttle problem by saying its vehicle is inherently a safer launch system than the shuttle. It is a charge that NASA people reject.

"If anything, the shuttle is better," says Mr Weeks. "Because we have men and women on board, we can tell the satellite to low orbit, check them out, and if necessary, recover them. That is a significant advantage."

"The Ariane competition has

been good for NASA," said Mr Weeks, recruited to NASA six years ago from a career with industrial heavyweights, such as IBM, McDonnell Douglas and General Electric.

"It forces on government people who are not used to the commercial market place, what it's like to compete more vigorously. It helps us to get the fat out of our system."

For all the talk in the U.S. about privatisation, NASA is not thinking about turning over the shuttle fleet to the private sector, even when the vehicles are profitable.

"It strikes me as difficult," said Mr Weeks. "Would the U.S. public like us to hand over \$4bn (the cost of the shuttle system) of our assets to a corporation?"

"I believe that the Government has a proper role in operating the fleet."

In the long term, the shuttle vehicles, on which NASA has so far spent about \$11bn in development costs, are central to the agency's plan for the future, both for building a manned space station in the 1990s and then setting up either a moon base or a manned voyage to Mars after the year 2000.

"The shuttles would act as cargo vehicles supplying the station, which would be in low orbit, about 300 km from the earth, and from which the U.S. would organise longer missions further into the solar system."

Mr Ivan Boesky, director of advanced programmes at NASA, said projects of this kind had popular support in the U.S., after a couple of decades in which the public became disillusioned with space activities.

"It's a new frontier and people will go into space for various reasons—to satisfy their intellects, or perhaps to make money. And there will be some who go because, as sure as hell, they want to do it."

"But don't try to justify going to the moon or Mars on an economic basis. If you try this, you are doomed to failure, or else you promise something that you can't deliver."

"The establishment of a human colony on Mars—you can't put a price tag on it."

Weekend Brief

Carry me back to old Virginny

GETTING a ship ready for a maiden voyage is always a shipper's nightmare. When it is a sailing ship set for a three-month 6,000-mile trip without even an auxiliary engine and crewed by part-time sailors, you can double the nightmare.

This is why skipper George Godspeed, a 52-year-old Virginian, isn't too happy about having visitors on board the good ship Godspeed. A lot has to be done before she sails from Blackwall in 10 days time in the wake of the original Godspeed which took some of the first English settlers to Virginia in 1606.

Why 6,000 miles? The Godspeed's original passengers didn't know exactly where they were going, so the voyage is far south past the Canaries, round the Cape Verde Islands.

The repeat voyage is surrounded by media razzamatazz which is why Captain Salley had to let his crew, who might well have been working at the Gravesend mooring, appear in Jacobean costume to lay sprays of red and yellow tulips on the memorial to a Red Indian princess in a Kent churchyard.

The home to Pocahontas was in the Gravesend churchyard of St George's.

Miss Peggy Lee sang "Cap'n Smith and Pocahontas" had a very mad affair, when her father tried to kill him she said. "Daddy, don't you dare, be gives me fever!" This doesn't exactly tell with the historical facts because Pocahontas was 13 when she saved Captain John Smith, one of the first



Godspeed on her trials

explorers.

She later married another young settler, became a Christian, went back to England with him and was presented to the King and Queen. She died of smallpox at the age of 22 on the eve of sailing back to Virginia from Gravesend.

So there Captain Salley was with Pocahontas, John Smith, and all the fleshpots of London beckoning as he tried to get shipshape for the big voyage.

He did allow us on board the Godspeed. The ice broke as he chatted about old voyages and his real life job, working at NASA, working on technology aimed at setting up permanent stations in space and even talking of hopes for the future such as taking a replica voyage to New Zealand to commemorate Captain Cook in 1987.

"A very clever man, Cook," he says. "Discovered sauerkraut as a remedy for scurvy. But the crew wouldn't eat it. So he ordered it to be served on the officer's table and then the crew

wanted it too."

Godspeed will be at St Katherine's Dock by the Tower of London this weekend, sailing up to greet the crowds turning out for the London Marathon.

She was built from Georgia pine, is very small—68 ft long and 14 ft wide (picked from hundreds who applied) let alone the 40-odd settlers on the original voyage.

The voyage is arranged by America's Jamestown-Yorktown Foundation and the Suffolk-based Gosnold Society, with major sponsorship by City insurance brokers Willis Faber. About £100,000 of British money has come into it, rather more from America.

But the last word must go to the man in the boat who ferried those unwelcome visitors out to the Godspeed at Gravesend this week. "I'm taking the crew back and forth all day," he said. "I don't want to put them off, but all I tell them is 'You must be bloody bankers.'"

For VIPs or Very Important Pets

SOMEONE HAD to do it, somewhere. Oddly, it was not in Britain. The Dog Museum is on Madison Avenue, New York—the city which gave the English language the word "dog."

The Dog Museum of America has been set up by the American Kennel Club. It is a well-kept secret; few New Yorkers have even been there. Nevertheless, it proved easy enough to find for those interested in the current "Presidential Pets" show.

Animal companions of Presidents are, inevitably, a rich subject with a promising vein of humour. From the moment Lyndon Johnson picked up his wretched beagle by the ears the media has been watching, hawking, for another such gaffe. Him and Her, the Johnson beagles, were preceded by another high-profile beast, Richard Nixon's Chompers. More recently, the emphasis has shifted; Amy took the role of pet in the Carter household, in a double act with Miss Lillian. These days, President Reagan remembers the theatrical maxim about children and animals and keeps centre stage.

In the past, things were very different. The exhibition commemorates an Airdale (President Harding's), which had a chair at Cabinet meetings and was interviewed at length in the Washington Star. The White House even has provided grazing for Woodrow Wilson's sheep and President Taff's cow. Indoor staff during John Quincy Adams' term of office must have been taken back to find an alligator in the laundry room. (When the creature arrived, as a gift, Mrs Adams thought—logically enough—that the room would suit its need.) In Coolidge's day the White House was

"swamped with pets"—they included pugs, pygmy hippopotami.

Their pets are a means by which we can find out a little about presidents of the past for whom official biography or hagiography may have erased the odder quirks of personality. Their pets were not always chosen as such, as the alligator gift shows.

One attraction of pets for men in high office must be the fact that they have no concept of decorum or dignity. There are no fawning courtiers in this exhibition. Occasions when creatures failed to show respect included Andrew Jackson's funeral—the ceremony was interrupted by a stream of profanities screamed by a parrot.

Not surprisingly, perhaps, in view of his delight in big game hunting, Theodore Roosevelt introduced the most considerable menagerie to the White House, including the first horse to set foot inside the House—leopard, a pet named called Algonquin who joined sundry animals and a sizable party of snakes in the Presidential home.

In recent times, one is tempted to wonder whether image-building extended even to the household pets. Despite the fact that the Kennedys disliked dogs, there were deer and a fine German Shepherd dog to emphasise the elegance and good looks of that regime. Oddly, too, the Kennedys often communicated with one another, used Laddie Boy as an intermediary. Perhaps the most ironic and sad fate befell Abraham Lincoln's dog of which, an early photographic portrait remains, who was himself assassinated, one year after his master. Lincoln was also particularly fond of a pig, anticipating Orwell's conclusion that, without question, the pig is a superior creature.

From egghead to police chief

MIYAZAKI Prefecture may well be the birthplace of the first Japanese Emperor, Jimmu, 2,500 years ago. More recently it enjoyed a brief vogue as the nation's honeymoon capital, before the young got rich and discovered Hawaii. But to most urban, sophisticated Japanese, Miyazaki, on the southern island of Kyushu, is part of the "deep south," considered a bit backward, where people farm and speak with a funny accent, where a lot of the young men join the military and where the women are reckoned to be good looking.

Not so long ago, Yukio Sato, very much an internationalist Japanese, might have agreed. One of the Foreign Ministry's leading authorities on arms policies, he was, at the end of 1983, comfortably ensconced in Washington as a fellow at the International Institute of Strategic Studies and an author of one of its distinguished Adelphi Papers.

More than that, on the side he was discreetly plotting with some of London's luminaries to bring Japan and Britain closer together in the form of a new Konigswinter-model consultative body. This convened, as the "Groux 2,000," for the first time in Japan in February, with Jim Prior leading the British team.

But Sato was not present at his creation for one very good reason—for the past 14 months he has been holding down the highly improbable job of police chief of Miyazaki.

It is an unlikely marriage in which both bride and groom still revel. Sato, 45 and baldy ever out of uniform, confesses he is thoroughly enjoying himself. Minoru Yonetamari, 35 years a Miyazaki cop and now

head of the biggest division in the force, glows over Sato's "warmth" and skill at "human relations". Their mutual satisfaction is understandable for, under the Sato regime, the Miyazaki police remain from solving murders to reducing road fatalities—has been enviable.

It all came about because of one of those intricate deals which are so dear to the heart of the national Japanese bureaucracy. The Foreign Ministry, the country's international eye and ears, had become conscious that its domestic power base was insufficient, that it needed, as Sato put it, to "talk more" to the average Japanese.

The Police Agency, hitherto parochial, was equally waking up to the need to broaden its horizons. After careful consultation, a bargain was struck: a Foreign Ministry man became Miyazaki's police chief, the first such secondment, while a former director-general of the Police Agency was posted as Ambassador in Brussels.

Miyazaki was chosen, Sato explains, because it was a "relatively easy" job for a non-policeman. It lacked some of the complexities of big city law enforcement, it had a tradition of respect for authority exceptional even by Japanese standards, and it had a well-staffed and regarded local force.

Still, Sato set out to do something slightly different, though still very Japanese. "What I said to them was look, I know little of police work and you are the professionals. I will take full responsibility for what you do. You do your work in your own way and do not worry about the consequences." Yonetamari confirms that this mattered a lot to the average policeman, in a society where taking responsibility can often be a deterrent to doing what has to be done.

Sato insists he is "still an

amateur" and interferes little with actual cases, though he recalls settling one dispute between detectives over whether or not to haul in a suspect for early questioning. But the toughest case seems to have paid dividends. He inherited four major unsolved murders and was quickly saddled with another three of these are now off the books. Just last month another was solved within ten days by what he describes as "really solid police work."

A lot of Sato's time is spent with the men on the beat (there are no policemen in conservative Miyazaki). He is determined to visit each of the 198 stations in his term of probably two years plus. He drinks with his men, celebrates with them and plays kendo—Japanese fencing—with them ("I'm in my condition, judo would have been rough"); and he wears his uniform almost all the time "to make it known that I feel I am a policeman and for them to have pride and identify with their uniform."

And his conversation is now peppered with observations that would never have found their way into an Adelphi Paper. On how to get parents involved to cut down on bicycle theft, on the need to keep Japan's gangsters on the run (Miyazaki only has about 180 of them and Sato has had half locked up, even if only for short terms). Yonetamari grunts his approval: "He would have made a good cop if he had started at the beginning."

Contributors
Alan Forrest
Gillian Darley
Jurek Martin

BUILDING SOCIETY RATES

	Share	Sub	Others
Abbey National	7.50	8.50	8.75
Aid to Thrift	9.50	—	—
Alliance	8.25	9.25	10.00
Anglia	8.25	9.25	10.00
Barclays	8.25	10.00	10.50
Bradford and Bingley	8.25	9.25	10.00
Bristol and West	8.25	9.25	10.00
Britannia	8.25	9.25	10.00
Cardiff	8.25	9.25	10.00
Catholic	8.25	9.25	10.00
Century (Edinburgh)	8.25	9.25	10.00
Chelsea	8.25	9.25	10.00
Cheltenham and Gloucester	8.25	9.25	10.00
Cities Regency	8.25	9.25	10.00
City of London (The)	8.25	9.25	10.00
Coventry	8.25	9.50	10.00
Derbyshire	8.25	9.50	10.00
Gateway	8.25	9.25	10.00
Greenwich	8.25	—	—
Guardian	8.25	—	—
Halifax	8.25	9.25	10.00
Heart of England	8.25	9.50	10.00
Hemel Hempstead	8.25	9.25	10.00
Hendon	8.25	9.25	10.00
Huddersfield	8.25	9.25	10.00
Lambeth	8.25	9.25	10.00
Leeds and Holbeck	8.25	10.00	10.50
Leeds Permanent	7.50	8.50	8.75
Leicester	8.25	9.25	10.00
London Permanent	8.25	—	—
Middlesbrough	8.25	—	—
Mornington	8.25	9.25	10.00
National Counties	8.25	9.25	10.00
National and Provincial	8.25	9.25	10.00
Nationwide	8.25	9.25	10.00
Newcastle	8.25	9.50	10.00
Northern Rock	8.25	9.50	10.00
Norwich	8.25	9.50	10.00
Peckham	8.25	9.25	10.00
Peterborough	8.25	9.25	10.00
Portsmouth	8.25	9.25	10.00
Property Owners	8.25	9.25	10.00
Scarborough	8.25	9.25	10.00
Skipton	8.25	9.25	10.00
Stroud	8.25	9.50	10.00
Sussex County	8.25	9.50	10.00
Sussex Mount	8.25	9.50	10.00
Thrift	8.25	9.50	10.00
Town and Country	8.25	9.50	10.00
Wessex	8.25	9.50	10.00
Woolwich	8.25	9.50	10.00
Yorkshire	8.25	9.25	10.00

Hammerson profits up 24% and portfolio at £1.4bn

Hammerson Property yesterday reported a further increase in profits with the pre-tax result for 1984 showing a rise of 24 per cent from £28.9m to £35.36m.

Over the past five years profits have more than quadrupled from 1979's £7.63m and the dividend has been raised in each successive year. The current final dividend is up from an equivalent 6p to 8.5p, which in effect raises the total distribution by 1p to 8.5p.

Last year also saw a £451m increase in the value of Hammerson's investment property portfolio, which stood at £1.43bn at the year end giving a net asset value per 25p share of 602p, against 520p a year previously.

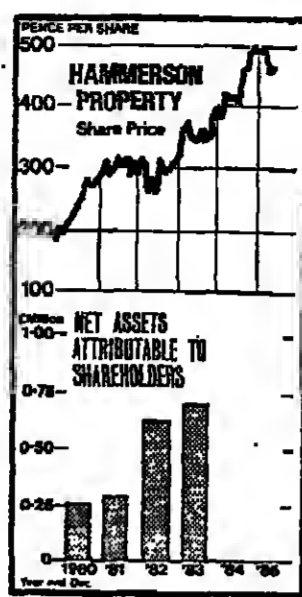
At half-year pre-tax profits were up by £5.8m to £15.39m.

Full-year earnings per share rose from an adjusted 12.88p to 14.31p after tax up to £11.15m against £8.69m, reflecting higher overseas tax and ACT written off—there were minorities of £1.06m (£0.67m) and extraordinary credits of £1.24m (£0.55m).

The taxable result was attained on gross rental income of £104.95m, compared with £74.75m, and included property trading profits £0.2m higher at £12.12m.

After all charges the retained balance amounted to £12.66m (£10.97m).

Hammerson UK Properties made £6.37m (£2.74m) pre-tax on



Gross rental income of £28.23m

Over one-third of Hammerson's total portfolio is now located in Canada following the recent acquisition for £59m of Rank Organisation's Canadian property interests.

The portfolio comprises five properties and in the year to October 1984 they contributed £37.3m (£4.2m at current rates) to Rank's group profits.

Last year, Hammerson paid £47m for Mascan Corporation, in October 1984, Hammerson

refinanced some of its Canadian floating rate debt with a preferred share issue raising up to £275m (£27m at prevailing rates) for its subsidiary, Hammerson Canada.

comment

This is the first time for some years that Hammerson has fallen below 30 per cent in its year-on-year rate of profits increase, but that is in no real cause for concern. Currency movements were less beneficial than they have been in the past, and the early 80s was also a period when the group was acquiring interests in other property companies which showed an above-average rate of increase. This has now virtually ceased, and group operations now have to generate profits on their own merits. Congratulations are in order for the Mascan performance, which accounted for more than half of the sizeable rise in gross rental income. It will still take a couple of years for this to feed through fully to the trading level, but in the meantime Hammerson has an attractive operation in downtown Los Angeles which should stand it in good stead and promises to maintain its bullish approach in North America. Acquisitions in fact are on the cards in any part of the world, but investors can forget Australia, currently something of a bed of nails. The shares rose 8p yesterday to 460p for a yield of 2.6 per cent—low for the property sector.

Grampian raising £3.5m via rights

By Terry Garrett

A RIGHTS issue to raise £3.5m has been launched by Grampian Holdings, a Glasgow-based group with its roots in the transport sector which has diversified into retail, sporting goods and veterinary pharmaceuticals.

Shareholders are being asked to back a one-for-three issue at 102p per share so that the company can further expand its non-transport activities to lessen the importance of what it describes as a mature business. In the market the shares slipped back 3p from the 1983 high of 125p. Mr David McGibbon, Grampian's finance director, said yesterday that the company is keen to expand its retail presence. Currently there are 21 outlets, 13 in high street sites, with the balance in what he describes as "mill complexes". These are centres where the clothing shops, selling traditional ladies' wools and fashionwear, are complemented by restaurants and services to new product lines. The group has four outlets in England so far—all typical town centre shops.

He also sees scope to increase the range of sporting goods and services to new product lines for the pharmaceutical division. The group has felt inhibited in its development of these activities by the seasonal nature of its retail and sporting goods divisions.

Through borrowings in the December 1984 balance sheet stand at just under £8m, 89 per cent of the total debt, against 69 per cent a year before — at the summer peak debt rises to £3m or £3m.

No profits forecast is made at this stage but the directors report an extraordinary trading performance from all four divisions in the first quarter. In 1984 pre-tax profits were £1.72m. A 5.5p share dividend is predicted for 1985, a rise of 10 per cent.

The issue is underwritten by N. M. Rothschild and brokers are Cazenove.

Wm Low seeks £15m for expansion

RECORD SALES of £100.26m and profits of £2.88m have been achieved by the Wm Low group of supermarkets and freezer centres in the 26 weeks ending March 1985, despite having to allow for losses and interest charges at recent acquisition, Laws Stores.

And the directors are looking to the future with confidence. They expect the growth of Low to continue and await the full year's contribution from Laws, where losses have been quickly brought under control. They are planning to create further selling area and are seeking to raise nearly £15m by a 3-for-10 underwritten rights issue at 515p per share.

In the absence of unforeseen circumstances they are forecasting a profit before tax for the full year ending September 7 1985 of not less than £5.1m, compared with £5.1m for 1983-84. They are raising the interim dividend from 2.3p in 4p, and expect to pay a final of not less than 8p (7.1p) on the enlarged capital.

The profit forecast includes a net gain on sales of assets of £80,000 (£16,000), a net loss of £975,000 attributable to Laws including interest on the cash

and loan element of the purchase consideration, and a reduction in interest costs of £475,000 during the final 14 weeks of the year arising from the rights issue proceeds.

The directors say the present development programme can be funded largely through cash flow with the balance coming from borrowings. But to take full advantage of the further opportunities they see ahead, they believe it is necessary to enlarge the company's equity capital base.

In the short-term, proceeds from the issue will reduce borrowings, now standing at some £15m, and interest charges. On the basis of existing commitments and negotiations which are at an advanced stage, Low plans to spend up to £14.5m on the creation of up to 95,000 sq ft of additional net selling space through the opening of new stores and extensions to existing units.

In addition, the directors believe that further opportunities to develop new stores in both Scotland and the North of England will emerge over the next 12 months.

The sales and profits for the interim period show increases of

25.5 per cent and 23.6 per cent over the respective 179,86m and £2.33m figures recorded for 26 weeks of 1983-84. The current year figures reflect, in particular, the steadily increasing contribution from the newer and larger units, this continuing strength of the fresh food operations, and efficient cost control.

All these, say the directors, have helped to achieve a further increase in the trading margin to 3.8 per cent (2.9 per cent), excluding Laws. They believe the overall potential of Laws is greater than expected at the time of acquisition.

After allowing for a £61,000 loss at Laws, the operating profit for the period came to £3.4m (£2.65m). Interest charges cost £225,000 (£250,000) for the group and £133,000 attributable to Laws, and there is a gain on sale of assets of £131,000 this time. Tax absorbs £1.23m (£1.12m) to leave earnings per share up from 13.1p to 17.3p. In view of Laws' past losses the average group tax rate for the next few years is expected to be lower than normal.

Laws was acquired on January 11 of this year. For the period April 8, 1984 to January 11 it incurred a loss before tax of £655,000, before allowing for

extraordinary costs of £850,000 which have been provided prior to acquisition in respect of reorganisation expenses arising from the acquisition.

comment

Wm Low are in an expansive mood. In January they paid £7m (£4 in shares) for Laws Stores of Gateshead, so establishing itself firmly south of the border. Over the next two years the plan is to spend £14.5m on new outlets, which will add a net 90,000 sq ft to the group's total selling area of 620,000 sq ft, mostly in the Scottish core area. The three for 10 rights issue is clearly designed to aid cash flow through the expansion phase and reduce gearing, which is currently a big 85 per cent. Given the expectation that Laws will be traded at a profit by September (and that any contribution it makes will be tax free) the analysts feel that the company's forecast full year profits of £6.1m is a little on the modest side and that perhaps another £1m should be looked for. The 17.3p p/e is almost 19 on 63p—by no means high for the sector with the outlook for Low in 1985-86 being very good. The prospective yield is 2.7 per cent, a bit above the sector norm.

Fleming launches venture fund

MERCHANT bankers Robert Fleming have raised £20m to invest in a Jersey-based venture capital fund specialising in British high technology companies.

The fund, Fleming Ventures Ltd, is managed by Mr Peter English and Mr Bernard Fairman, both former investment managers with 3i Ventures. They have a 13.3 per cent carried interest in the fund, with another 6.7 per cent going to Robert Fleming.

They expect the fund, which will be wound up in 1996, to be fully invested within five years.

Two investments have already been made: £750,000 in Integrated Power Semiconductors, a Scottish semiconductor maker, and £250,000 in Delfield Digital, a Stroud-based electronic telephone exchange producer.

The fund will have an emphasis on start-ups in the UK, although up to 25 per cent of the fund will be invested in the U.S. in syndicated deals. It will pursue a U.S.-style "hands on" management approach, whereby the investment managers will aim to contribute technical, marketing and financial skills to their companies.

The sectors on which it will concentrate include electronic components, semiconductor, telecommunications, office automation, and microprocessor technology. It has attracted 33 institutional investors from the UK and overseas, with £2m coming from Japanese companies.

Robert Fleming already runs two venture capital funds in the U.S. and Japan.

This is the latest in a series of large capital raising exercises by venture companies. Since the turn of the year, Advent Capital has raised £86m, J. Henry Schroder £23m, and Baroness Associates £23m.

Gable House up 48%

Gable House Properties has announced a 48 per cent increase in profits at the pre-tax level in its first results since being granted a full listing last November.

For the six months to end December 1984 this London-based property development group achieved profits of £316,039 on open market sales of £23,119 previously, on a turnover ahead by £178,425 at £2.25m.

The interim dividend is lifted to 1.25p (1p). Last year a total of 2.3p was paid on profits of £671,178. Stated net earnings for this year are shown higher at 3.4p (2.7p). The directors are confident that profits for the year to end July 1985 will "satisfactorily exceed" last year's figure.

They say that the construction of Park Saint James is progressing well. Two further sales were effected during the six-month period, totalling £1.69m, and since December contracts have been exchanged on two more apartments, totalling £70,000.

The group has acquired a number of properties for future refurbishment or redevelopment, and the directors report another successful trading at The Mall antiques parade, and the purchase of a private company, Cabandale, which owns The Lamb antiques arcade in Wellingford.

GRA plans £11m sale of Slough site to Dee

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

GRA Group plans to sell most of the Slough greyhound stadium site to Dee Corporation for the retail group intends to build a superstore on the land.

GRA said yesterday that the deal was conditional upon planning consent being given for the proposal. The GRA directors say that, if planning is forthcoming, the price being offered by Dee is such that the retention of the stadium for greyhound racing cannot be justified.

GRA, which last year sold White City stadium to Stock Concession and has also entered

into a conditional agreement to sell most of Harringay stadium to J. Sainsbury for £10m, says the net book value of the land and buildings at Slough is £1.19m. Net profits of the stadium in 1984 were £160,000.

The directors say that if the sale goes ahead, the funds raised would be invested in the existing business, particularly in the modernisation and improvement of the remaining stadium.

GRA yesterday announced turnover for the year ended October 1984 of £10.84m (£11.31m). Pre-tax profits reached £377,000 (£395,000).

BET offer unconditional

BET, the laundry and services group, yesterday declared its bid for Initial wholly unconditional, with 90 per cent acceptance from 75 per cent of initial shareholders at the first closing date.

Initial shareholders, given the option of mixing the proportion of cash and shares offered in the original bid terms of 14 BET deferred plus £13.50 cash for every 10 initial shares, have opted for extra shares by more than two to one.

BET will therefore provide 18.7 BET shares for every 10 initial. Those opting for cash will be scaled down on the basis of three BET shares and £44.75 in cash for every 10 initial.

JSD Computer shows upturn

IMPROVEMENT in gross margins, a cut in overhead costs and growth in all geographical areas, particularly America, have enabled the JSD Computer Group International to lift its profit from £40,000 to £408,000 in 1984. The group provides contract and permanent computer personnel.

Mr R. M. Jenner, chairman of this USM company, says the imbalance between the supply of experienced computer personnel and the demand still exists, and in the directors' opinion the gap is now even wider. The imbalance is now worldwide.

He says the possibilities for organic growth are "almost

infinite." The Aberdeen office opened in February and plans are advanced for a third U.S. office to open in mid-year.

An association has been established with a similar company in Australia, and it is envisaged that similar relationships be developed elsewhere. These associations will help the group to recruit for its U.S. operation in particular.

The U.S. was the major growth area in 1984, although there was strength from the declining strength of sterling. That area contributed 38 (30) per cent of turnover, and its revenue increased from £1.3m to £2.8m.

Overseas trading increased from £2.5m to £4.1m, and represented 57 per cent of the year's

total trading, against 46 per cent previously.

Group turnover for the year advanced from £5.39m to £7.1m, with the gross profit rising to £2.17m. Operating surplus was £462,000 (£39,000). Gross margin increased from 30.2 per cent to 30.6 per cent and overhead costs decreased as a percentage of turnover from 28.5 per cent to 25.3 per cent. These were two major areas of concern the directors noted in the 1983 report.

Tax takes £180,000 (credit £13,000) and last time there was an extraordinary debit of £9,000. Earnings are shown at 4.2p (1p) per share, and a final dividend of 1.3p lifts the total to 1.5p net 10.7p.

Garfunkels 54% higher at £2.1m

INCLUDING THE results of Strikes Restaurants for both periods, profits of the Garfunkels Restaurants group, a member of the USM, advanced by 54.8 per cent and 53.8 per cent respectively in 1984. Sales were up from £12.94m to £18.1m and profits from £1.37m to £2.1m.

The final dividend is 0.87p on increased capital, and makes 1.3p net the year, compared to an effective 1.125p. Waivers have been received in respect of £42,000. There is proposed a 1-for-1 scrip issue.

The directors say the conversion of Strikes restaurants is proceeding as planned, and 50 per cent are completed or near completion. Four further premises were acquired during 1985 bringing the total restaurants in the group to 55.

Early indications are that 1985 will be another good year. The 1984 results shown after loss on Strikes activities not acquired £72,000 (profit £3,000) and Strikes profit sharing schemes £32,000 (nil). Garfunkels lifted its pre-tax profit from £756,000 to £1,890,000 (£210,000). Extraordinary debit £550,000 (£23,000), and minorities £17,000 (£2,000) and pre-acquisition profits £230,000, the profit attributable came to £1.1m (£1.12m). Earnings are shown at 12.32p (9.73p) per share.

Prestwick and Asda Properties oversubscribed

THE TWO offers for sales by Prestwick Holdings and Asda Property Holdings closed on Thursday and were oversubscribed.

Charterhouse Japhet announced that the 7.25m shares offered in printed circuit board manufacturer Prestwick Holdings at a fixed price of 100p has been four times subscribed.

The shares are to be allotted on a roughly one-for-four basis for applications of less than 10,000 with the larger amounts being supplied on a pro-rata basis from 22 per cent of the total placing.

The 7.25m shares, 5m were newly issued and from these, net of expenses, the company will receive £4.53m. Dealings in the shares will start on April 25. Asda also announced the result of its applications on yesterday. For the 3.15m shares at 20p each there was a total of 8,661m shares applied for—that is a 2.75 times oversubscription rate. Dealings are to start from April 24.

Improvement at Talbex

Talbex Group made pre-tax profits of £32,000 in the six months to end-January 1985, compared with £9,000. Sales moved ahead by £4.1m to £6.93m.

Mr David Green, the chairman of this industrial holding company with interests in aerosol products, chemicals and rubber mouldings, says the results are encouraging, and the directors anticipate continued profitable trading in the second half.

The pattern of profitability is similar to the previous year, he says, with Osmond Aerosols con-

tributing the bulk of profits. Textino, a distributor of industrial hygiene products, continues to operate profitably, and Haventral, supplier of domestic aerosol products, is now breaking even.

Castle Rubber, however, is still finding market conditions difficult, suffering a small trading loss in the period. The chairman says that steps are being taken to improve its results.

During the year the production of high quality specialty food products was transferred to a modern factory in Wrexham. This gave increased production facilities and sales in 1985 are beginning to take up this capacity.

"cautiously optimistic" for the future, but still expect the seasonal nature of part of the business to result in greater profits for the second half than for the first.

During the year the production of high quality specialty food products was transferred to a modern factory in Wrexham. This gave increased production facilities and sales in 1985 are beginning to take up this capacity.

J. E. England back in profit

Results for 1984 from J. E. England & Sons (Wellington), produce supplier and convenience food merchant, have followed the pattern forecast. The company has provided a profit of £38,786, which is sufficient to eliminate the half-year loss and leave a surplus of £17,031 over the year. This compares with a loss of £165,589 in 1983, and £143,000 in the preceding year.

The directors remain

RESULTS DUE NEXT WEEK

Analysts write down £295m quarterly estimate for ICI

THE GLAMOUR of being the first non-oil company through the £1bn pre-tax profit level last year, and the more mundane world of quarterly results on Thursday. The chairman was modestly pleased with the current performance, when he announced the full year figures, and most analysts seem to have gone well for the group since then.

Petrochemicals and plastics, the engine behind the drive to £1bn, have performed well, and there has been some improvement in commodity prices and volumes. Agriculture was dull in the early part of 1985, but should have picked up in March.

A couple of files in the interim could well be the colours of the year, and the disappointing throughout last year and could conceivably fall into the red, and the great imponderable, currency rates.

Some analysts have written down earlier forecasts of £295m because of a possible currency loss on export debtors and other currency transactions, particularly relating to the Beatrice acquisition in February. But ICI will of course have hedged to the best of its ability. Most expect around £250m, well on the way to another £1bn plus year.

Blue Circle rights

Blue Circle Industries is grappling with its borrowings and a credibility problem, with the market speculating that a rights issue may be announced alongside the full year results on Thursday.

The group's overseas units have been spending heavily and the recent acquisition of Atlantic Cement, the U.S. mining company, for \$164m has probably taken the gearing over 40

per cent. Blocked from a share placement until formal approval comes through in May for the £1bn pre-tax purchase, the company, so soon after its £1bn gain, is looking for a one-for-four or five rights to get the gearing down under 30 per cent.

The possibility of such action is now overshadowing the results prospects. The market is expecting a real gain on last year's £109.5m pre-tax but analysts freely admit to being unsure as to how to unravel the currency effect on a business as widespread as Blue Circle.

some two-thirds of turnover is outside the UK.

Supporting the belief that a rights issue would be unpopular at this time has to be the low price of the shares, which are presently trading at a heavy discount to the £5 a share net asset value (as of end 1983)—even more if market rather than book values were used.

The patient shareholders must also be waiting for the earnings to start coming through from the major investments made over the last five years and will surely

not welcome any financing package that dilutes those returns.

Wimpey's £57m

The story at Wimpey is very one-sided. The company's gains holding up earnings while the underlying business is doing very little to inspire fresh faith.

In 1983 exceptional contracting losses of £42m were almost exactly offset by exceptional gains from property sales of £42.1m—leaving pre-tax profits down marginally at £45m.

On Thursday the picture as

far as the underlying trend is concerned is expected by the market to be much the same (it could even be down on 1983) while the £17m expected from property sales will push the numbers up to the £57m mark for the year.

All of this assumes that there will be no repeat this time of the exceptional contracts loss item—if there is then the net management under Mr Cliff Chetwood will have some questions to answer.

The rise in interest rates has hit house sales although comple-

ments for 1984 are expected to be ahead 7 per cent to 10,000. The rest of Wimpey's UK activities remain fairly stagnant.

John Laing steady

At John Laing on Wednesday, the company is expected to benefit of a steady performance from UK contracting, the underlying improvement in housing and a £3m contribution from earnings on the group's cash balances to see pre-tax profits reach £30m against the £23.8m in 1983.

In the UK, contracting should contribute £12m—a steady return in an increasingly difficult area. What will make the difference this time round — with most other factors being fairly equal — is the return to profits expected from the overseas contracting side.

In 1983, losses in Spain and payment delays in the Middle East led overseas contracting into the red to the tune of £2.6m pre-tax. For 1984 a profit of the same order, £2.5m, is being looked for from this division, although there must be some uncertainty over the exact level of returns from both the Baghdad and the Spanish contracts.

Bank of Scotland

The consensus is that Bank of Scotland, now rid of its Barclays connection, will report around £77m pre-tax profits for the full year on Monday, with some analysts going as far as to suggest £80m, which is asking a lot.

The lower estimate would represent an increase of 30 per cent over the year, a rate of increase which only NatWest equaled in 1984.

Contributors:

Frank Kane and Terry Povey

COMPANY NEWS IN BRIEF

Bidders for the 2.7 per cent stake held by Equity Trust in Stock Conversion, the property development and investment group, will have to wait a few more days to see who has been successful.

It is understood that De Zoete and Bevan, the brokers acting on behalf of Equity Trust, have asked interested parties for further clarification of their individual bids and that a decision might not be made until the latter part of next week.

The new owner of the Equity Trust share is likely to make a full-scale bid for ownership of Stock Conversion.

CH Industrials, which had its £5.5m bid for Bannockburn earlier this week, has lifted its stake in the sun-roof and car components group from 27.4 per cent to 28.2 per cent.

For the six months to January 31 1985, Wade Potteries raised its pre-tax profits from £368,255 to £598,400. The interim dividend is being increased by 0.4p to 1p net.

All companies within the group are trading profitably and the directors hope this trend will continue, helped by the widening of the product base. Sales for the six months totalled £7.61m (£5.61m). Tax took £223,623 (£127,480).

Highland Electronics Group nearly doubled its interim pre-tax profits from £262,000 to £503,000 and expects a full year outcome in excess of £1m.

Turnover for the six months to October 31 1984 rose from £5.22m to £5.68m. Highland is a manufacturer of electronic components.

An interim dividend of 1p (nil) is being paid—last year's final was 1.8p with pre-tax profits at £660,000.

United Parcels, the express carrier, experienced a fall in pre-tax profits from £7.7m to £7.07m in 1984 reflecting "the ferocity of competition throughout the parcels industry," says Mr Graham Millard, the chairman. Turnover was £3.3m higher at £66.02m.

The dividend total is being raised from 2.3p to 3p with a higher final payment of 2.2p.

Earnings per share fell by 0.8p to 7p after tax of £2.64m, against £3.2m.

Milepsa, the Montreal-quoted investment group associate of the Hawley Group and British Car Auctions, has declared a 6.28 per cent interest in the engineer and electrical cleaner, Hampson Industries.

Toye & Company, manufacturer of civil and military regalia, pushed 1984 pre-tax profits up from £282,000 to £330,000 and results to date indicate further progress for 1985.

Earnings per 25p share totalled 3.3p (£8.9p) and the dividend is being raised from 2.25p to 3p net.

Asbury & Madley (Holdings) pushed profits up from £1.35m to £1.5m pre-tax in 1984, a turnover of £15.71m against £12.47m.

Earnings per share were higher at 14.51p (13.78p) and the final dividend is up from £1.25p to 4.55p for

UK COMPANIES

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Company	Value of bid per share**	Market price**	Price before bid	Value of bid	Bidder
Adams & Gibson	240	246	234	4.32	Keep Trust
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland
Admiral Textile	541	500	410	44.61	London & Midland

* All cash offer. ** Cash alternative. *** Partial bid. \$ For capital not already held. \$ Unconditional. \$ Based on April 19 1985. \$ Shares and cash. \$ Related to NAV to be determined. \$ Loan stock. \$ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9
Admiral Plant	Dec	307	11.38	0.9

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38
Admiral Plant	Dec	307	11.38

Rights Issues

London and Northern—To raise £14m through a one for four rights issue at 60p.

Scapa Group—To raise £20.1m through a one for six rights issue at 37.5p.

Scapa—To raise £14.5m through a one for five rights issue at 22.5p.

Scrip Issue

Cowry Horace—One for one.

Deverest J—One for five.

Hall, Matthews—One for one.

Harrogate Industries—One for three.

WVW Computers—One for four.

Portland Industries—Two for one.

Offers for sale, placings and introductions

Anglo-Eastern Plantations—Introduction through an offer of 1.2m units at 350p per unit. One unit consists of four ordinary shares, £1 of 12 1/2 per cent loan stock 1995-99 and a warrant to buy one share.

Arden Communications—USM placing of 1,553,500 shares at 125p.

Domina Printing—Offer for sale of 5.5m shares at 200p per share.

Howard Group—USM placing of 1.5m shares at 125p.

Maxprint—USM placing of 2m shares at 22p.

Porter Hotels—USM placing of 1.8m shares at 115p.

Porter Hotels—Offer for sale of 4.1m shares at 10p.

Prendick Holdings—Offer for sale of 7.25m shares at 100p.

INTERNATIONAL COMPANIES and FINANCE

Western Union ordered to pay \$102m in damages

BY PAUL TAYLOR IN NEW YORK

WESTERN UNION, the financially struggling U.S. telecommunications group, has suffered a further setback in its attempt to return to profitability. The company, which lost \$53.4m on revenues of \$1.13bn last year and which recently obtained a seven-month extension on about \$450m of interim financing from its 31 banks, said a Federal jury in Chicago had ruled against it in a long-running anti-trust trial which centred on allegations that Western Union monopolised the market for telex terminals in the mid-1970s.

As a result, Western Union was ordered to pay a total of around \$102m to a businessman who claimed that his two now-defunct teleprinter companies were put out of business by Western Union.

The jury awarded the plaintiffs in the 1977 suit \$24m in damages—which under Federal law is automatically trebled—and a further \$50m on a contract claim adding that reasonable attorneys' fees and costs, to be determined by the court, are also to be included.

The owner of the two teleprinter companies, Mr Abraham Feldman, 63, had charged that Western Union had refused to circulate a list of independent equipment suppliers in an effort to get customers to buy terminals directly from Western Union.

Western Union, reacting to the judgment, said it does not believe the verdict is supported by the evidence and will ask the trial judge to set the jury's award aside. Western Union had argued that one of Mr Feldman's companies was really a tax shelter and was not interested in viable competition.

Inland Steel back in the red

BY OUR FINANCIAL STAFF

INLAND STEEL, the fourth largest U.S. steel producer, plunged to a \$6.2m first quarter loss, blaming lower than expected shipments and high energy costs.

The loss, equivalent to 33 cents a share, compares with a reported \$4.2m profit in the 1984 first quarter and net profit of \$25.5m in the final three months of the year. For 1984 as a whole, the Chicago-based group incurred a final net loss of \$41.4m.

Sales slipped from \$850.4m to \$818.7m in the 1985 first quarter. Steel shipments were 1.18m tons, down from 1.32m a year earlier.

The company said demand continued low in the first quarter and prices were depressed by imports. It added that during the first two months of the year, 20 per cent of the U.S. steel market went to imports, "far in excess" of the 9-21 per cent allocated in the Reagan Administration's voluntary import restraint plan.

Inland expects second quarter shipments to exceed those of the first, but it would not give an estimate of the effect on sales and earnings. The company added it plans to disclose details soon of its previously announced shutdown of several units at its major steel-producing facility at East Chicago.

Bank of Korea in move to attract funds

By Our Seoul Correspondent

THE Bank of Korea has raised long-term lending and deposit rates in an effort to draw more funds into the banking system.

The rate hike raises the ceiling on loans with a maturity of over one year to 13.5 per cent from 11.5 per cent. The interest rates in a variety of time deposit schemes were raised from a previous maximum of 10 per cent to 13 per cent.

In recent years the growth of Korean banks has failed to keep up with the overall expansion of the economy. They have rapidly lost market share to non-bank financial institutions which have been able to set higher interest rates on short-term transactions.

Expanding the deposit base of the banks is a prerequisite for liberalisation of the financial system and the introduction of genuine competition in financial markets.

The hike in interest rates considerably narrows the rate differential with the short-term financial companies.

Swiss Bank Corporation ahead in first quarter

BY JOHN WICKS IN ZURICH

A "GRATIFYING" first quarter with profits higher than those for the corresponding period of last year are reported by Swiss Bank Corporation, of Basle.

Almost all activities are said to have contributed to this increase. Despite narrower interest margins, net interest income rose due to a growth in business volume, while commissions, brokerage and securities dealing earnings went up substantially. Foreign exchange income reached a "high level", while precious metals dealing profited from the favourable market conditions.

The bank's balance-sheet total expanded by 3.4 per cent during the first quarter to SwFr 123.1bn (\$48.4bn). It recently raised its annual dividend from SwFr 11 to SwFr 12 a share in respect of 1984, when net profits improved by 17 per cent to SwFr 503m.

Bank Leu, one of Switzerland's "big five" banks, announced "good operating results" for the first quarter of this year. Earnings benefited particularly from higher interest income and more commission from securities business.

Roche steps up dividend

HOFFMANN-LA ROCHE, the Swiss pharmaceuticals and fine chemicals group, is lifting its dividend from SwFr 575 a share to SwFr 600 for 1984 following improved profits, writes John Wicks.

Chrysler and Samsung form parts venture

BY STEVEN B. BUTLER IN SEOUL

CHRYSLER, the third biggest U.S. carmaker, and Samsung of Korea, yesterday announced the formation of a 50-50 joint venture company which will make Samsung a major supplier of vehicle parts and components for the U.S. group.

The latest venture, to be called Chrysler Samsung Development Company, is intended to serve as a procurement agent as well as a manufacturer of parts produced in Korea. The deal is still subject to Korean Government approval. Mr Iacocca did not specify details about which parts and components would be produced, but expressed interest in electrical and electronic systems, air conditioners, textiles, and plastics.

He said Chrysler would explore joint venture arrangements and technical tie-ups between its North American suppliers of these components and Korean counterparts. All of the products developed in Korea would be exported to North America for automotive assembly.

The companies appear to be adopting a fairly cautious strategy to start off. Mr Iacocca said the joint venture company would continue to study the eventual possibility of car assembly in Korea, but they did not want to move too fast into that area.

Samsung is known to have been interested in moving directly to the assembly of automobiles. The Korean Government, however, frowned on the idea, for fear of creating excess domestic capacity.

Poclain trims net deficit to FFf 234m

By David Marsh in Paris

POCLAIN, the troubled French hydraulic excavator maker, cut group net losses slightly last year to FFf 234m (\$35.7m) from FFf 236.4m in 1983.

But losses fell considerably in the second half. After a first half deficit of FFf 184.3m for the group, the second half loss was FFf 50m lower as a result of the financial restructuring, workforce cuts, plant closures in Spain and Ireland and general measures to cut costs and overheads, Poclain said.

The company, 44 per cent owned by Cote d'Ivoire of the U.S., said application of "austerity measures" should allow the improvement to continue throughout 1985.

The operating loss last year came to FFf 179.2m against FFf 185.5m in 1983, with exceptional losses linked to staff cuts and general restructuring—put at FFf 54.8m against FFf 37.8m. Operating losses in the second half fell to less than FFf 8m a month from FFf 21m in the first half.

Group sales last year were slightly lower at FFf 2.91bn against FFf 2.94 bn.

Dutch insurer turns in 24% improvement

By Our Financial Staff

AMEV, the Dutch insurance group, reports a strong rise in profits for 1984 and as a result plans to increase its dividend.

Net profits rose by 24 per cent to Fl 259m (\$16.6m)—a performance which puts Amev ahead of its two rivals, Aegon and Nationale Nederlanden which earlier this week disclosed far slower earnings growth for 1984.

Amev increased total revenues from Fl 4.86bn to Fl 5.78bn. The year's dividend is going up from Fl 8 a share to Fl 8.40.

The company said all major business lines posted earnings gains, especially non-life insurance. U.S. accident and health business improved substantially.

The year's net income includes an "incidental profit" from the sale of the interest in Combinand European Retailers. But in total, the company benefited less by sales of investments than in 1983. Profits from disposals slowed to Fl 4.7m from Fl 15.1m.

About 3.8 per cent of net profit was derived from favourable foreign exchange fluctuations.

Comalco in AS\$124m funding operation

BY LACHLAN DRUMMOND IN SYDNEY

COMALCO, the Australian integrated aluminium group in which CRA has a 67 per cent majority stake, is raising AS\$124.5m (US\$80.8m) through a one-for-eight rights issue to help repay borrowings inflated by last year's US\$400m purchase of Martin Marietta's aluminium interests and to restore its balance sheet gearing.

The announcement of the issue came as its fellow aluminium group, Alcoa of Australia, announced a reduction in first quarter net earnings, after sales fell by AS\$15m to AS\$254.7m. Earnings tumbled from AS\$7.5m to AS\$6.9m under the effects of growing oversupply in the world industry.

So far this year the falling Australian dollar has taken a heavy toll of Alcoa's results through exchange losses of AS\$26.8m when costs increased and U.S. dollar prices for alumina and aluminium were unsatisfactory. The positive impact on local dollar prices will not have been felt fully in the quarter.

The directors say that while smelter cutbacks and closures have brought supply and demand closer to balance, "continued over-capacity in both smelting and alumina refining is likely to prevent substantial price improvements in the short term."

Mr John Ralph, Comalco's chairman, meanwhile told the Comalco annual meeting yesterday that there were signs that prices could improve in the second half of the year if levels of economic activity were maintained in the major consumption areas.

Al Alcoa, apart from the heavy but non-tax-deductible exchange losses, the result was after tax of AS\$28.6m (up AS\$6.8m), depreciation of AS\$24.7m (up AS\$2.9m) and interest payments of AS\$2.2m (down AS\$2.9m).

Broken Hill Proprietary and Shell Australia have gained control of Woodside Petroleum with the purchase of 3.92m shares yesterday at the AS\$1.60 a share offer price. Reuter reports from Sydney, "The two companies now hold about 50.6 per cent of Woodside's 500m issued shares."

BHP/Shell issued a Substantial Shareholder notice saying they held 251,590 Woodside shares at the opening of the day but this total included 1.55m held by the BHP pension fund (formerly included as an associate's holding but not counted by the bidder as part of their stake).

Saint-Gobain to offer 15% stake in packaging unit

BY DAVID HOUSEGO IN PARIS

SAINT-GOBAIN, the diversified French state-owned glass group, is planning to offer in the public a minority stake in one of its main subsidiaries, Saint-Gobain Emballage.

The move which has been under consideration for over a year is expected to take place in June as part of the group's policy of tapping the private markets for funds. Fifteen per cent of the capital of Saint-Gobain's packaging offshoot will be offered on the secondary market.

Saint-Gobain has long been a pioneer in trying to broaden the autonomy of the nationalised industries. About two years ago it came in for criticism from the private sector for "nationalisation" when it acquired on the Paris bourse some 20 per cent of the shares in Compagnie Generale des Eaux, the profitable privately-owned water distribution group.

The move nonetheless marks a change of attitude by the government as M. Laurent Fabius, the Prime Minister, was hostile to Saint-Gobain's initial proposal to offer a 50 per cent stake in its packaging subsidiary.

Paradoxically the bourse reacted unfavourably to the move as it fears that any large scale denationalisation would unload a volume of shares on the market that would put a damper on the present boom in share prices.

Though Saint-Gobain's move has inevitably triggered off speculation of denationalisation by the Socialist government, it should be seen more in the light of the pragmatic moves by nationalised companies to raise cash and become more market oriented in a similar vein. Societe Europeenne de Propulsion, a subsidiary of the state-owned SNCMA aircraft engine group, recently sold 15 per cent of its capital on the secondary market.

The move nonetheless marks a change of attitude by the government as M. Laurent Fabius, the Prime Minister, was hostile to Saint-Gobain's initial proposal to offer a 50 per cent stake in its packaging subsidiary.

Deadline for Wheelock Marden bid extended

BY OUR FINANCIAL STAFF

SIR Y. K. PAO'S property subsidiary, Hongkong and Kowloon Wharf and Godown Company, has extended the deadline of its general offer for Wheelock Marden, the Hong Kong trading and shipping group, in May 14 from the original April 18.

Wharf claims already to have received acceptances giving it just over 90 per cent of the voting rights in Wheelock, and has taken effective control of the company.

In another development, Baring Brothers Asia, financial adviser to Allied Investors, has ruled as inadequate Wharf's HK\$11 a share offer for the company, and has advised shareholders to take no action.

Allied investors is 49.9 per cent owned by Wheelock and, in turn, controls 6.8 per cent of Wheelock's voting rights as well as an 8.8 per cent holding in Cross-Harbour Tunnel Company—in which Wheelock directly owns 18 per cent.

Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers

8 Lovat Lane London EC3R 8DT Telephone 01-621 1212

Over-the-Counter Market

High	Low	Company	Price	Change	Div (p)	Yield	Fully Paid
144	122	Ass. Brit. Ind. Ord.	143	-	6.6	4.4	7.8
151	125	Ass. Brit. Ind. Ord.	148	-	6.6	4.4	7.8
77	51	Airbus Group	57	-1	6.4	11.2	8.3
42	28	Almington and Rhodes	34	-	2.8	8.5	4.2
168	108	Barton's	108	-	2.8	8.5	4.2
58	42	Bray Technologies	52	-	2.8	8.5	4.2
120	120	CCL Ordinary	120	-	12.0	7.1	-
152	110	CCL 12 1/2 Conv. Pref.	110	-	12.0	7.1	-
1040	1040	Carborundum Ord.	1040	-	10.4	10.7	8.0
88	84	Carborundum 7 1/2% P.I.	88	-	10.7	12.2	8.0
72	50	Carborundum 7 1/2% P.I.	50	-	10.7	12.2	8.0
314	182	Frank Hensell	182	-	6.5	11.0	7.7
268	170	Frank Hensell P.I. Ord.	170	-	6.5	11.0	7.7
32	22	Frederick Parker	22	-	1.0	1.0	-
32	32	George Stait	32	-	1.0	1.0	-
50	22	Ind. Persimmon Castings	22	-	7.7	13.3	6.0
210	188	Ind. Persimmon	188	-	14.0	7.0	7.5
120	100	Jackson Group	100	-	4.3	4.7	4.3
285	272	James Buchanan	244	-	1.2	1.6	6.7
35	32	James Buchanan P.I.	32	-	1.2	1.6	6.7
71	71	John Rowland	71	-	5.0	5.0	-
215	100	Luminares Ord.	215	-	1.0	1.0	-
100	83	Luminares 10 1/2% P.I.	83	-	15.0	14.1	-
650	280	Midland, Holdings NV	550	-	3.8	6.8	4.8
120	120	Robert Jenkins	120	-	1.0	1.0	-
87	76	Scythians "A"	76	-	5.7	12.3	17.4
92	81	Truvel and Carlisle	76	-	1.0	1.0	-
444	240	Truvel and Carlisle	240	-	4.3	5.3	10.0
24	17	Unifac Holdings	24	-	1.3	4.5	14.0
98	81	Walter Alexander	81	-	1.5	7.8	8.5
247	218	W. S. Yallie	218	-	17.4	8.0	5.2

Prices and details of services now available on Prepaid, page 48148

Hambro Bank Unit Trust Managers Limited

Premier Unit Admin. 5 Ryeleigh Road, Histon, Cambs. Tel: 0277 2222

1985 Bid Offer Yield

H.B.L. European

	15th April	22nd	24th
15th April	52.6	56.0	2.46
16th April	52.6	56.0	2.77
17th April	53.0	56.4	2.75
18th April	52.9	56.3	2.73
19th April	53.3	56.7	2.75

H.B.L. Equity Income

	15th April	22nd	24th
15th April	60.4	64.3	6.21
16th April	61.0	64.8	5.81
17th April	61.4	65.3	5.77
18th April	62.0	66.0	5.71
19th April	62.6	66.6	5.66

H.B.L. Canadian

	15th April	22nd	24th
15th April	42.7	45.4	2.20
16th April	42.1	44.8	2.33
17th April	42.0	44.7	2.34
18th April	42.0	44.7	2.24
19th April	42.9	45.4	2.19

Prices of other H.B.L. Trusts on UT Information Service page

Grindlays Bank p.l.c.

Interest Rates

Grindlays Bank p.l.c. announces that its base rate for lending will change from 13% to 12 1/2% with effect from 19th April 1985

Head Office: Grindlays Bank plc, Minerva House, Montague Close, London SE1 9DH.

FUTURES INSTRUMENTS

FUTURES TRADING

FUTURES/RISK PROTECTION

The Banker in May will be discussing the futures markets around the world. The link-ups between exchanges and the international dealers and brokers who operate across the world's leading markets.

Banks, brokers and institutions committed to the expansion of the international futures markets who wish to advertise in the May issue of The Banker should contact:

The Marketing Director

THE BANKER

102 Clerkenwell Road, London EC1

01-351 9321 Telex: 23700

CAPITAL STRATEGY FUND LIMITED

Gartmore Fund Managers International Limited

6 Caledonia Place, St Helier Jersey, CI - Tel: 0534 27301

Telex: 4192030

Subfunds Yield Price (p) (1)

Sterling Deposit (1.031) 12.53

Dollar Deposit US\$1.012 7.94

DM Deposit DM\$0.015 4.32

Yen Deposit ¥503.6 3.46

SwFr Deposit SwFr\$0.022 5.87

N. American US\$1.1 0.5

Japan US\$1.31 0.6

Pacific Basin US\$1.2 0.6

Int. Growth US\$1.12 0.3

British £1.23 2.0

to \$53.68 on
results and a

to \$53.68 on results and a

...dollar, OTC
...25.50, despite
...and 10m
...100m
...a 50m
...ed mixed, but
...s to arrive
...shrunk off
...dollar to six
...recovery from
...on the back
...dollar, although
...from highs
...ank index of 60
...1 to 1,223.80
...3M 1 to 361,
...st six month
...the outlook for
...and month-
...factor: drove
...dly lower in
...dollar a share
...of levered U.S.
...lower after
...were weakened
...ing linked to
...April trading
...erate rise in
...interest rates
...other bearish
...ed aggressively
...and declined
...were mainly
...stances were
...tial trading.
...me position.
...the weekend
...st. economic
...first quarter
...ing interest
...exin fell 1 1/2
...100m to 100
...istic over the
...an uncertainty
...it made nu-
...results and
...lower turnover
...1.5 to 227 on
...ing a 23.1 per
...nt profit.

	Apr. 16	Apr. 17
5-1	5-1	5-4
20-1	20-1	21-4
25-1	25-1	25-5
30-1	30-1	30-5
35-1	35-1	35-5
40-1	40-1	40-5
45-1	45-1	45-5
50-1	50-1	50-5
55-1	55-1	55-5
60-1	60-1	60-5
65-1	65-1	65-5
70-1	70-1	70-5
75-1	75-1	77
80-1	80-1	81
85-1	85-1	86
90-1	90-1	91
95-1	95-1	96
100-1	100-1	101
105-1	105-1	106
110-1	110-1	111
115-1	115-1	116
120-1	120-1	121
125-1	125-1	126
130-1	130-1	131
135-1	135-1	136
140-1	140-1	141
145-1	145-1	146
150-1	150-1	151
155-1	155-1	156
160-1	160-1	161
165-1	165-1	166
170-1	170-1	171
175-1	175-1	176
180-1	180-1	181
185-1	185-1	186
190-1	190-1	191
195-1	195-1	196
200-1	200-1	201
205-1	205-1	206
210-1	210-1	211
215-1	215-1	216
220-1	220-1	221
225-1	225-1	226
230-1	230-1	231
235-1	235-1	236
240-1	240-1	241
245-1	245-1	246
250-1	250-1	251
255-1	255-1	256
260-1	260-1	261
265-1	265-1	266
270-1	270-1	271
275-1	275-1	276
280-1	280-1	281
285-1	285-1	286
290-1	290-1	291
295-1	295-1	296
300-1	300-1	301
305-1	305-1	306
310-1	310-1	311
315-1	315-1	316
320-1	320-1	321
325-1	325-1	326
330-1	330-1	331
335-1	335-1	336
340-1	340-1	341
345-1	345-1	346
350-1	350-1	351
355-1	355-1	356
360-1	360-1	361
365-1	365-1	366
370-1	370-1	371
375-1	375-1	376
380-1	380-1	381
385-1	385-1	386
390-1	390-1	391
395-1	395-1	396
400-1	400-1	401
405-1	405-1	406
410-1	410-1	411
415-1	415-1	416
420-1	420-1	421
425-1	425-1	426
430-1	430-1	431
435-1	435-1	436
440-1	440-1	441
445-1	445-1	446
450-1	450-1	451
455-1	455-1	456
460-1	460-1	461
465-1	465-1	466
470-1	470-1	471
475-1	475-1	476
480-1	480-1	481
485-1	485-1	486
490-1	490-1	491
495-1	495-1	496
500-1	500-1	501
505-1	505-1	506
510-1	510-1	511
515-1	515-1	516
520-1	520-1	521
525-1	525-1	526
530-1	530-1	531
535-1	535-1	536
540-1	540-1	541
545-1	545-1	546
550-1	550-1	551
555-1	555-1	556
560-1	560-1	561
565-1	565-1	566
570-1	570-1	571
575-1	575-1	576
580-1	580-1	581
585-1	585-1	586
590-1	590-1	591
595-1	595-1	596
600-1	600-1	601
605-1	605-1	606
610-1	610-1	611
615-1	615-1	616
620-1	620-1	621
625-1	625-1	626
630-1	630-1	631
635-1	635-1	636
640-1	640-1	641
645-1	645-1	646
650-1	650-1	651
655-1	655-1	656
660-1	660-1	661
665-1	665-1	666
670-1	670-1	671
675-1	675-1	676
680-1	680-1	681
685-1	685-1	686
690-1	690-1	691
695-1	695-1	696
700-1	700-1	701
705-1	705-1	706
710-1	710-1	711
715-1	715-1	716
720-1	720-1	721
725-1	725-1	726
730-1	730-1	731
735-1	735-1	736
740-1	740-1	741
745-1	745-1	746
750-1	750-1	751
755-1	755-1	756
760-1	760-1	761
765-1	765-1	766
770-1	770-1	771
775-1	775-1	776
780-1	780-1	781
785-1	785-1	786
790-1	790-1	791
795-1	795-1	796
800-1	800-1	801
805-1	805-1	806
810-1	810-1	811
815-1	815-1	816
820-1	820-1	821
825-1	825-1	826
830-1	830-1	831
835-1	835-1	836
840-1	840-1	841
845-1	845-1	846
850-1	850-1	851
855-1	855-1	856
860-1	860-1	861
865-1	865-1	866
870-1	870-1	871
875-1	875-1	876
880-1	880-1	881
885-1	885-1	886
890-1	890-1	891
895-1	895-1	896
900-1	900-1	901
905-1	905-1	906
910-1	910-1	911
915-1	915-1	916
920-1	920-1	921
925-1	925-1	926
930-1	930-1	931
935-1	935-1	936
940-1	940-1	941
945-1	945-1	946
950-1	950-1	951
955-1	955-1	956
960-1	960-1	961
965-1	965-1	966
970-1	970-1	971
975-1	975-1	976
980-1	980-1	981
985-1	985-1	986
990-1	990-1	991
995-1	995-1	996
1000-1	1000-1	1001

DENMARK

[illegible]

448 . -7
381 . -6
645 . +10

1.862	+2
1.250	+80
1.020	+20
689	+5
731	+5
5,089	-30
630	+5
527	+5
422	-3

Price	+ or -
1.68	.....
2.53	.....
0.7	-0.85
0.0	-0.55
4.25	+0.05
2.45	.....
2.45	+0.15
1.44	.....
5.25	+0.35
0.89	.....
8.8	-0.05
1.68	+0.15
1.53	+0.45
1.68	.....
3.3	-0.95
4.25	-0.22
2.72	-0.32

Price	+ or -
1.55	-0.85
8.3	-0.15
98.5	+0.5
61.25	+0.5
11.4	+0.25
77.5	-1
11.4	+0.25
59	-0.15
2.7	-0.15
14.25	-0.5
4.75	-0.75
10.8	-0.75
4.25	-0.75
5.95	-0.55
11.75	+0.15
36.25	.....
1.45	.....
7.5	-0.15
5.75	-0.1
9	.....
9	.....
6.2	-0.55

448 . -7
381 . -6
645 . +10

1.862	+2
1.250	+80
1.020	+20
689	+5
731	+5
5,088	-30
630	+5
527	+5
422	-3
Price	
1.68	+ or
2.53	.....
0.7	-0.85
4.25	-0.55
2.45	+0.05
2.45	+0.15
1.44	.....
5.25	+0.35
0.89	-0.05
8.8	-0.85
1.68	+0.15
1.53	+0.05
1.68	.....
4.3	-0.95
2.72	-0.22
4.76	-0.32
Price	
1.55	+ or
8.3	-0.85
98.5	.....
61.25	+0.5
11.4	+0.25
77.5	-1
11.4	+0.25
59	-0.15
2.7	-0.15
14.25	-0.5
4.75	-0.75
10.8	-0.75
4.25	-0.75
5.95	-0.55
11.75	+0.15
36.25	.....
1.45	.....
7.5	-0.15
5.75	-0.15
9	.....
9	.....
6.2	-0.55

1000

[illegible]

1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 2679, 26

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar nervous

The dollar finished above the day's lows in currency markets yesterday but was still down from Thursday's level. The market was still showing signs of shock after the recent sharp decline in the dollar's value, and growing evidence that the pace of U.S. economic growth is slowing and that U.S. interest rates are likely to ease. The dollar closed at DM 2.9730 from DM 2.9645 and ¥247.10 from ¥247.90. It was also lower in terms of the Swiss franc at Sfr 2.4705 from Sfr 2.4635 and Ffr 9.08 compared with Ffr 9.12. On Bank of England figures, its index fell to 142.7 from 143.0, its lowest level this year.

Sterling was slightly weaker on the day with its index closing at 78.5 down from 78.8. Trading was confined to a fairly narrow

STERLING INDEX

Apr 19	Previous
8.30 am	78.5
9.00 am	78.4
10.00 am	78.5
11.00 am	78.4
Noon	78.5

1.00 pm 79.4
2.00 pm 79.4
3.00 pm 78.4
4.00 pm 79.5

UK clearing banks base lending rate 12-13 per cent since April 19

POUND SPOT-FORWARD AGAINST POUND

Apr 19	Day's spread	Close	One month	% Three months	% Six months
U.S.	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Canada	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
France	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Germany	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Italy	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Spain	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Sweden	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Switzerland	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Japan	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Belgium	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Netherlands	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Denmark	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Portugal	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Greece	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Finland	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
South Africa	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
India	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
China	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
South Korea	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Thailand	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Philippines	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Malaysia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Singapore	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Indonesia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Brunei	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
East Germany	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
West Germany	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Poland	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Czech Republic	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Slovak Republic	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Hungary	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Romania	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Bulgaria	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Soviet Union	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
USSR	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Yugoslavia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Croatia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Slovenia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Serbia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Montenegro	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Bosnia and Herzegovina	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Herzegovina	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
North Macedonia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Macedonia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Albania	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
North Korea	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
South Korea	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Laos	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Myanmar	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Burma	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Maldives	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Maldives	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Comoros	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Madagascar	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Reunion	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Mayotte	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
French Polynesia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Guadeloupe	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Martinique	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
St. Pierre and Miquelon	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
St. Vincent and the Grenadines	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Grenada	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Antigua and Barbuda	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Barbados	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Trinidad and Tobago	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Jamaica	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Haiti	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Dominican Republic	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Saint Kitts and Nevis	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Nevis	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Anguilla	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Belize	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Paraguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Uruguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Venezuela	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Colombia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Ecuador	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Peru	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Bolivia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Paraguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Uruguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Venezuela	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Colombia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Ecuador	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Peru	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Bolivia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Paraguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Uruguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Venezuela	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Colombia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Ecuador	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Peru	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Bolivia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Paraguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Uruguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Venezuela	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Colombia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Ecuador	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Peru	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Bolivia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Paraguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Uruguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Venezuela	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Colombia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Ecuador	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Peru	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Bolivia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Paraguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Uruguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Venezuela	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Colombia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Ecuador	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Peru	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Bolivia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Paraguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Uruguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Venezuela	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Colombia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Ecuador	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Peru	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Bolivia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Paraguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Uruguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Venezuela	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Colombia	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Ecuador	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Peru	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Bolivia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Paraguay	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Uruguay	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Venezuela	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Colombia	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1.12 pm
Ecuador	1.2885-1.3005	1.2925-1.2945	0.45-0.45 pm	4.13	1.18-1.18 pm
Peru	1.7422-1.7500	1.7460-1.7500	0.45-0.45 pm	2.44	1.12-1

39	5.80	38.5	2.50	PL 57.40	ALPHA Sec 1 (740)
38	6.20	36	3.00	FL 56.20	ALPHA Sec 1 (104P1 (12) 11)
37	5.80	70	10	FL 50.2	ALPHA Sec 1 (104P1 (12) 11)
36	5.80	70	10	FL 50.2	ALPHA Sec 1 (104P1 (12) 11)
35	7.20	11	2	FL 50.2	ALPHA Sec 1 (104P1 (12) 11)
34	7.20	11	2	FL 50.2	ALPHA Sec 1 (104P1 (12) 11)
33	11.50	8	1.00	FL 50.2	ALPHA Sec 1 (104P1 (12) 11)
32	4.50	48	17	FL 50.2	ALPHA Sec 1 (104P1 (12) 11)
31	4.50	8	10	FL 50.2	ALPHA Sec 1 (104P1 (12) 11)

ints

[illegible]

Money Market Bank Account

[illegible]

INDUSTRIALS-Continued									
High	Low	Stock	Price	%	High	Low	Stock	Price	%
134	132	General Electric	132	0	134	132	General Electric	132	0
135	133	Westinghouse	133	0	135	133	Westinghouse	133	0
136	134	Rockwell	134	0	136	134	Rockwell	134	0
137	135	Boeing	135	0	137	135	Boeing	135	0
138	136	Lockheed	136	0	138	136	Lockheed	136	0
139	137	Northrop	137	0	139	137	Northrop	137	0
140	138	Grumman	138	0	140	138	Grumman	138	0
141	139	McDonnell Douglas	139	0	141	139	McDonnell Douglas	139	0
142	140	Boeing	140	0	142	140	Boeing	140	0
143	141	Lockheed	141	0	143	141	Lockheed	141	0
144	142	Northrop	142	0	144	142	Northrop	142	0
145	143	Grumman	143	0	145	143	Grumman	143	0
146	144	McDonnell Douglas	144	0	146	144	McDonnell Douglas	144	0
147	145	Boeing	145	0	147	145	Boeing	145	0
148	146	Lockheed	146	0	148	146	Lockheed	146	0
149	147	Northrop	147	0	149	147	Northrop	147	0
150	148	Grumman	148	0	150	148	Grumman	148	0
151	149	McDonnell Douglas	149	0	151	149	McDonnell Douglas	149	0
152	150	Boeing	150	0	152	150	Boeing	150	0
153	151	Lockheed	151	0	153	151	Lockheed	151	0
154	152	Northrop	152	0	154	152	Northrop	152	0
155	153	Grumman	153	0	155	153	Grumman	153	0
156	154	McDonnell Douglas	154	0	156	154	McDonnell Douglas	154	0
157	155	Boeing	155	0	157	155	Boeing	155	0
158	156	Lockheed	156	0	158	156	Lockheed	156	0
159	157	Northrop	157	0	159	157	Northrop	157	0
160	158	Grumman	158	0	160	158	Grumman	158	0
161	159	McDonnell Douglas	159	0	161	159	McDonnell Douglas	159	0
162	160	Boeing	160	0	162	160	Boeing	160	0
163	161	Lockheed	161	0	163	161	Lockheed	161	0
164	162	Northrop	162	0	164	162	Northrop	162	0
165	163	Grumman	163	0	165	163	Grumman	163	0
166	164	McDonnell Douglas	164	0	166	164	McDonnell Douglas	164	0
167	165	Boeing	165	0	167	165	Boeing	165	0
168	166	Lockheed	166	0	168	166	Lockheed	166	0
169	167	Northrop	167	0	169	167	Northrop	167	0
170	168	Grumman	168	0	170	168	Grumman	168	0
171	169	McDonnell Douglas	169	0	171	169	McDonnell Douglas	169	0
172	170	Boeing	170	0	172	170	Boeing	170	0
173	171	Lockheed	171	0	173	171	Lockheed	171	0
174	172	Northrop	172	0	174	172	Northrop	172	0
175	173	Grumman	173	0	175	173	Grumman	173	0
176	174	McDonnell Douglas	174	0	176	174	McDonnell Douglas	174	0
177	175	Boeing	175	0	177	175	Boeing	175	0
178	176	Lockheed	176	0	178	176	Lockheed	176	0
179	177	Northrop	177	0	179	177	Northrop	177	0
180	178	Grumman	178	0	180	178	Grumman	178	0
181	179	McDonnell Douglas	179	0	181	179	McDonnell Douglas	179	0
182	180	Boeing	180	0	182	180	Boeing	180	0
183	181	Lockheed	181	0	183	181	Lockheed	181	0
184	182	Northrop	182	0	184	182	Northrop	182	0
185	183	Grumman	183	0	185	183	Grumman	183	0
186	184	McDonnell Douglas	184	0	186	184	McDonnell Douglas	184	0
187	185	Boeing	185	0	187	185	Boeing	185	0
188	186	Lockheed	186	0	188	186	Lockheed	186	0
189	187	Northrop	187	0	189	187	Northrop	187	0
190	188	Grumman	188	0	190	188	Grumman	188	0
191	189	McDonnell Douglas	189	0	191	189	McDonnell Douglas	189	0
192	190	Boeing	190	0	192	190	Boeing	190	0
193	191	Lockheed	191	0	193	191	Lockheed	191	0
194	192	Northrop	192	0	194	192	Northrop	192	0
195	193	Grumman	193	0	195	193	Grumman	193	0
196	194	McDonnell Douglas	194	0	196	194	McDonnell Douglas	194	0
197	195	Boeing	195	0	197	195	Boeing	195	0
198	196	Lockheed	196	0	198	196	Lockheed	196	0
199	197	Northrop	197	0	199	197	Northrop	197	0
200	198	Grumman	198	0	200	198	Grumman	198	0
201	199	McDonnell Douglas	199	0	201	199	McDonnell Douglas	199	0
202	200	Boeing	200	0	202	200	Boeing	200	0
203	201	Lockheed	201	0	203	201	Lockheed	201	0
204	202	Northrop	202	0	204	202	Northrop	202	0
205	203	Grumman	203	0	205	203	Grumman	203	0
206	204	McDonnell Douglas	204	0	206	204	McDonnell Douglas	204	0
207	205	Boeing	205	0	207	205	Boeing	205	0
208	206	Lockheed	206	0	208	206	Lockheed	206	0
209	207	Northrop	207	0	209	207	Northrop	207	0
210	208	Grumman	208	0	210	208	Grumman	208	0
211	209	McDonnell Douglas	209	0	211	209	McDonnell Douglas	209	0
212	210	Boeing	210	0	212	210	Boeing	210	0
213	211	Lockheed	211	0	213	211	Lockheed	211	0
214	212	Northrop	212	0	214	212	Northrop	212	0
215	213	Grumman	213	0	215	213	Grumman	213	0
216	214	McDonnell Douglas	214	0	216	214	McDonnell Douglas	214	0
217	215	Boeing	215	0	217	215	Boeing	215	0
218	216	Lockheed	216	0	218	216	Lockheed	216	0
219	217	Northrop	217	0	219	217	Northrop	217	0
220	218	Grumman	218	0	220	218	Grumman	218	0
221	219	McDonnell Douglas	219	0	221	219	McDonnell Douglas	219	0
222	220	Boeing	220	0	222	220	Boeing	220	0
223	221	Lockheed	221	0	223	221	Lockheed	221	0
224	222	Northrop	222	0	224	222	Northrop	222	0
225	223	Grumman	223	0	225	223	Grumman	223	0
226	224	McDonnell Douglas	224	0	226	224	McDonnell Douglas	224	0
227	225	Boeing	225	0	227	225	Boeing	225	0
228	226	Lockheed	226	0	228	226	Lockheed	226	0
229	227	Northrop	227	0	229	227	Northrop	227	0
230	228	Grumman	228	0	230	228	Grumman	228	0
231	229	McDonnell Douglas	229	0	231	229	McDonnell Douglas	229	0
232	230	Boeing	230	0	232	230	Boeing	230	0
233	231	Lockheed	231	0	233	231	Lockheed	231	0
234	232	Northrop	232	0	234	232	Northrop	232	0
235	233	Grumman	233	0	235	233	Grumman	233	0
236	234	McDonnell Douglas	234	0	236	234	McDonnell Douglas	234	0
237	235	Boeing	235	0	237	235	Boeing	235	0
238	236	Lockheed	236	0	238	236	Lockheed	236	0
239	237	Northrop	237	0	239	237	Northrop	237	0
240	238	Grumman	238	0	240	238	Grumman	238	0
241	239	McDonnell Douglas	239	0	241	239	McDonnell Douglas	239	0
242	240	Boeing	240	0	242	240	Boeing	240	0
243	241	Lockheed	241	0	243	241	Lockheed	241	0
244	242	Northrop	242	0	244	242	Northrop	242	0
245	243	Grumman	243	0	245	243	Grumman	243	0
246	244	McDonnell Douglas	244	0	246	244	McDonnell Douglas	244	0
247	245	Boeing	245	0	247	245	Boeing	245	0
248	246	Lockheed	246	0	248	246	Lockheed	246	0
249	247	Northrop	247	0	249	247	Northrop	247	0
250	248	Grumman	248	0	250	248	Grumman	248	0
251	249	McDonnell Douglas	249	0	251	249	McDonnell Douglas	249	0
252	250	Boeing	250	0	252	250	Boeing	250	0
253	251	Lockheed	251	0	253	251	Lockheed	251	0
254	252	Northrop	252	0	254	252	Northrop	252	0
255	253	Grumman	253	0	255	253	Grumman	253	0
256	254	McDonnell Douglas	254	0	256	254	McDonnell Douglas	254	0
257	255	Boeing	255	0	257	255	Boeing	255	0
258	256	Lockheed	256	0	258	256	Lockheed	256	0
259	257	Northrop	257	0	259	257	Northrop	257	0
260	258	Grumman	258	0	260	258	Grumman	258	0
261	259	McDonnell Douglas	259	0	261	259	McDonnell Douglas	259	0
262	260	Boeing	260	0	262	260	Boeing	260	0
263	261	Lockheed	261	0	263	261	Lockheed	261	0
264	262	Northrop	262	0	264	262	Northrop	262	0
265	263	Grumman	263	0	265	263	Grumman	263	0
266	264	McDonnell Douglas	264	0	266	264	McDonnell Douglas	264	0
267	265	Boeing	265	0	267	265	Boeing	265	0
268	266	Lockheed	266	0	268	266	Lockheed	266	0
269	267	Northrop	267	0	269	267	Northrop	267	0
270	268	Grumman	268	0	270	268	Grumman	268	0
271	269	McDonnell Douglas	269	0	271	269	McDonnell Douglas	269	0
272	270	Boeing	270	0	272	270	Boeing	270	0
273	271	Lockheed	271	0	273	271	Lockheed	271	0
274	272	Northrop	272	0	274	272	Northrop	272	0
275	273	Grumman	273	0	275	273	Grumman	273	0
276	274	McDonnell Douglas	274	0	276	274	McDonnell Douglas	274	0
277	275	Boeing	275	0	277	275	Boeing	275	0
278	276	Lockheed	276	0	278	276	Lockheed	276	0
279	277	Northrop	277	0	279	277	Northrop	277	0
280	278	Grumman	278	0	280	278	Grumman	278	0
281	279	McDonnell Douglas	279	0	281	279	McDonnell Douglas	279	0
282	280	Boeing	280	0	282	280	Boeing	280	0
283	281	Lockheed	281	0	283	281	Lockheed	281	0
284	282	Northrop	282	0	284	282	Northrop	282	0
285	283	Grumman	283	0	285	283	Grumman	283	0
286	284	McDonnell Douglas	284	0	286	284	McDonnell Douglas	284	0
287									

TIO PEPE
SPAIN'S SHERRY
GONZALEZ BYASS

FINANCIAL TIMES

Saturday April 20 1985

On the other hand I'm very well understood by my temporary secretaries from...
Senior Secretaries
CITY 01-806 1871
WEST END 01-433 0332

MAN IN THE NEWS

From easy chair to hot seat

BY PHILIP BASSETT

SUDDENLY, it has all gone wrong. Nine months after seeing his favoured son, Ron Todd, safely—narrowly—installed as his successor as general secretary of the Transport and General Workers Union, Mr Evans has found himself sprung up with such force as to make the last 10 weeks of Moss Evans' tenure something of a good deal more than a comfortable coast towards a well-earned retirement.

Instead, a nightmare: proven cases of corrupting the ballot, mounting allegations of malpractice and intense pressure from Government, the media and Dr David Owen, the SDP leader, who is turning the issue into a personal crusade.

His passion is matched only by that of Mr Evans. In the last months of his 35 years in the union, he has—ad and has had to—become a man with a mission: clearing the union's good name. The union's opponents—including some other unions, previously bested by the TGWU and now with scores to settle—don't feel the union ever had one: they see it, gleefully, as a Herculean task of impossible proportions, Augean stable that cannot be cleansed.

Within the union, Mr Evans' preference for Mr Todd as his successor—matched during last year's election by similar feelings in both the TUC and in Whitehall—was well known. A returning officer he was plainly fair, though he now acknowledges that some in the union



Mr Moss Evans... nightmare

may have been "over-enthusiastic" in trying to get their candidate elected.

With 1.5m members, organised—loosely—into some 9,000 branches, spread across an unknown number of workplaces in just about every industry imaginable, Mr Evans accepts that it may well be impossible to hold a perfect ballot in the TGWU.

He has promised to investigate every complaint brought to his attention, and is doing so: regional officials testify to his diligence in seeking hard facts to check the allegations being made.

He admits personal frustration at not knowing of the charges in order to scrutinise them, and this has led him in part to accept the conspiracy theory of the allegations now being held in some parts of the union.

Mr Evans has spoken darkly of the SDP, of a Tory knight, aptly named "let rid" of Mr Todd or, if nothing else, to so discredit the union's voting practices as to diminish sharply its chances in the ballot now required by law of resigning its political fund—and, therefore, Labour's single largest source of income.

Lifting the cloud of the allegations has brought upon the union would be a crowning achievement to a period of office in which he has secured the union financially, and achieved through mergers what growth was possible in tight times. But there has also been criticism, particularly in comparison with his predecessor, Jack Jones: lack of authority, lack of charisma, lack of clout.

Truth there is in these charges, but not wholly so. They are at least as much a structural problem of the giant, sprawling TGWU as they are of Mr Evans, and a problem of timing: it is easier to have authority when Labour is in power, to have charisma when the unions are listened to, and to have clout when your membership is spiralling to 2m-plus.

Now two months off 60, Mr Evans' performance in the top job has been questioned despite his long, proven history in the union: the son of a miner and one of 13 children.

If questioned before, how much more now? "My personal standing is now at stake within the union," he says. "I would like to soldier on and clear my name to show that I did everything according to the book."

Lawson predicts lower U.S. rates

BY MAX WILKINSON AND STEWART FLEMING IN NEW YORK

U.S. INTEREST rates are set to come down further, Mr Nigel Lawson, the Chancellor, said yesterday. He was speaking at the end of a three-day series of meetings for the world's financial leaders in Washington.

Finance ministers and central bank governors, gathered for the policy-making committees of the International Monetary Fund and World Bank, have agreed that further cuts in interest rates will be an important key to preventing the world from moving into recession and to alleviating debtor nations' difficulties.

After his talks with U.S. and other financial leaders, Mr Lawson said there was a general feeling that it was desirable for the U.S. to lower its interest rates and that there was no immediate danger of an upward trend. He added that much would depend on the ability of the U.S. to reduce its budget deficit and he issued a

politically-controversial plea for the U.S. to raise taxes.

"Really, what they need to do is to match the planned \$50bn (£38bn) of spending reductions with an increase in taxation."

The expectation of further falls in U.S. interest rates and sterling's firmness on foreign exchanges appear to have improved the outlook for UK interest rates, but the authorities remain cautious about short-term prospects for inflation and monetary growth.

Yesterday Mr Lawson would say only that he expected further falls in UK interest rates before the end of the year. According to the Chancellor, ministers have two anxieties about the prospects for lower interest rates. They fear both the possibility of a precipitate decline in the dollar, which might force the U.S. authorities to tighten monetary policy, and that the Federal deficit might also prolong high interest rates.

Mr Lawson described U.S. fiscal policy as, grievously mistaken. He had predicted it would "end in tears" and now the high deficits was creating great difficulties for the U.S. in its desire to cut interest rates.

The official communiqué of the IMF's interim committee yesterday echoed this concern in more subdued language, although it welcomed the U.S. Administration's current efforts to reduce the deficit.

More generally, the ministers endorsed the general policy among the leading powers of continuing with tight financial policies and reduced government borrowing. They also backed the IMF's general approach to debt problems on a case-by-case basis.

Ministers agreed that the IMF and the World Bank should continue in broadly their present roles and expressed the need for strengthening the IMF's authority.

The communiqué made an urgent call for moves to reverse recent trends towards protectionism. This and proposals for a new round of talks in the General Agreement on Tariffs and Trade, is likely to become a major topic at the economic summit in Bonn next month.

The communiqué added: "It is equally important to seek greater exchange rate stability." In spite of recent evidence of slower growth of the U.S. economy, the main industrial powers of Europe and Japan have rejected any idea of concerted retaliation of their economies to take up the slack. Mr Lawson said there were "no alarm bells ringing on the growth front."

There was no indication at all that the U.S. supported any move which would increase budget deficits in Europe, and there was certainly no case for fiscal retaliation of this kind in the UK.

Ecuador rescheduling, Page 2

Employers shift ground in teachers' dispute

BY DAVID BRINDLE, LABOUR STAFF

THE EMPLOYERS yesterday shifted their ground in the teachers' pay dispute in England and Wales by offering to approach the Government jointly with the unions to seek extra money.

The Labour-controlled Association of Metropolitan Authorities (AMA) viewed the outcome of the employers' meeting as an important victory over the Conservative Association of County Councils, which had been maintaining a hard line.

As a result, attention will

focus on the Government's willingness to produce additional funds. Conservative Party officials in the shares and backbench Tory MPs are increasingly anxious about the impact of continuing school strikes on the county council elections on May 2.

The employers yesterday approved a statement drawn up by the AMA which called for fresh talks with the unions and for a joint approach to Government.

Previously the employers insisted that their 4 per cent

pay offer was final and that the only alternative was arbitration or talks on a revised contract. The unions said they wanted a no-strikes improved offer.

The employers' statement yesterday made no reference to arbitration or to conciliation. It accepted the unions' contention that the statutory Burnham pay negotiating committee was "the only arena in which the present dispute could be resolved."

No reference was made to a revised contract in the statement, which asserted only that

there should be informal talks with the unions before a meeting of Burnham "in the near future" and that discussions should be held about the basis on which to approach Government.

Mr Fred Jarvis, leader of the teachers' side of Burnham, welcomed the employers' intention to call a meeting of the committee. He added that it was not clear whether an improved offer was proposed and so the unions would meet to discuss the initiative next Tuesday.

Britoil joins UK onshore search

BY DOMINIC LAWSON

BRITTOIL, BRITAIN'S biggest independent oil company, is to pay £27m for the UK assets of Hadson Petroleum International, the UK-quoted subsidiary of the U.S. oil company, Hadson Petroleum Corporation.

The deal gives Britoil its first involvement in UK onshore exploration. Hadson Petroleum International is known chiefly for its extensive acreage in Surrey, Sussex, Hampshire, Dorset, Somerset and Wiltshire. These cover stakes in the Humble Grove oilfield and the Horstead and Herward oil discoveries, all in Hampshire.

Mr Malcolm Ford, Britoil joint managing director, said yesterday the acquisition represented a significant extension of Britoil's domestic activities

which had hitherto been restricted to the UK Continental Shelf.

The Government is soon to launch the first UK onshore licensing round and the Hadson deal is intended clearly as a base for bids for more onshore acreage.

Mr Bob Speirs, Britoil finance director, said yesterday that Britoil had no firm plans for further corporate acquisitions of this type. But he added: "This company is always looking."

Mr Steve Houghton, chief operating officer of Hadson Petroleum Corporation, said yesterday that its UK company did not have sufficient cash resources to finance likely developments both in the UK and overseas. Hadson Petroleum Inter-

national would retain exploration interests in Spain, Korea and Indonesia.

Mr Houghton said Hadson Petroleum Corporation, which owns 76 per cent of Hadson Petroleum International, would consider buying out the minority following the Britoil deal.

HPi came to the stock market in 1982 at 80p per share but the issue flopped. Yesterday the shares closed at 56p, showing a 12p gain over the past two days.

The Stock Exchange has yet to authorise a formal announcement of the deal. This is expected on Monday, possibly accompanied by a suspension of the shares.

Britoil's share price fell 5p yesterday, closing at 210p.

Continued from Page 1.

Booker

Mr Jonathan Taylor, who has masterminded Booker's defence since becoming managing director last year, said: "We were moderately confident that the bid would be rejected. I think Booker deserves its independence, and I am glad that our shareholders share that view."

Dee's first bid, which valued Booker at £236m, was referred to the Monopolies and Mergers Commission last June because a merger would have created by far the largest UK operator of wholesale cash-and-carry food depots.

As Booker's profits increased, Dee doubled the size of its supermarkets chain to more than 700 with the £180m acquisition of International Stores from BAT Industries.

After the Monopolies Commission had ruled in January that a merger with Booker would not be against the public interest, Dee made a new bid at the last moment, as allowed by takeover rules.

Dee disclosed that it had sold a quarter of its holding in Booker and gave warning that it might sell more shares if the price rose to "unrealistic" levels. The move had the effect of setting a ceiling on Booker's share price, but also restricted Dee's own freedom to act because it meant that the bidder was barred from increasing its offer.

The outcome was a victory for S. G. Warburg, the merchant bank which advised Booker, against rival Morgan Grenfell, which acted for Dee.

NatWest

Continued from Page 1

mand and bring sterling M3, the broad money supply measure, to within its target range.

Figures showing a steep rise in inflation to 6.1 per cent in March also underlined the need for caution.

The general expectation in the City, however, is that, if

the dollar continues to decline, there may be scope for a further small reduction in base rates over coming weeks.

On the foreign exchange markets yesterday sterling showed little reaction to the cut as the dollar stabilised after its recent heavy losses.

The sterling index, which

measures the pound's value against a basket of currencies, fell 0.1 point to 79.5. However against the dollar the pound gained 0.25 cents on Thursday's London close to close at \$1.2940. In New York on Thursday night it had closed at \$1.301.

The base rate cut brought further small gains in the gilt-edged market, prompting the Bank of England to announce the issue of £650m of existing stocks to be offered for sale from Monday.

Heseltine picks BAe sales chief to head arms exports

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE HEAD of Britain's Defence Sales Organisation, which is responsible for UK arms exports worth of arms exports a year, is to be Mr Colin Chandler, at present marketing director of the aircraft division of British Aerospace.

Mr Chandler's appointment was announced yesterday by Mr Michael Heseltine, the Defence Secretary. It follows the controversial decision to make Mr Peter Levene, formerly head of United Scientific Holdings, the Ministry's Chief of Defence Procurement.

Mr Levene's appointment last month, at a salary of £95,000 and for a term of five years, aroused protests at Westminster and Whitehall, partly because it contravened the Government's own regulations for secondment of outsiders to the civil service.

Yesterday, the Defence Ministry pointed out that Mr Chandler's appointment had been approved by the Civil Service Commission. In the Levene case the Government failed to abide by its own Order in Council of 1982, which insists that any secondments from outside the Civil Service must have the full certification of the commission. Mr Chandler has been given that, the ministry said.

Mr Chandler will continue to receive his BAe salary with the Government paying the company £47,000 a year to cover pension, pension and insurance costs.

The office of head of defence sales has been held by an industrialist since its creation in 1966, which was not the case

where the Chief of Defence Procurement was concerned. Mr Chandler will take over, probably in June, from Sir James Blyth, who was seconded from Lucas Industries in 1981. Sir James succeeded Sir Ronald Ellis, of Leyland.

Mr Chandler's appointment comes at a time when Britain's arms exports are running £600m below the government's expectations of £2.6bn for 1984-85.

Hopes of the first sales of the new Tornado aircraft to Saudi Arabia are fading fast. Instead, Riyadh seems likely to buy Mirage 2000 aircraft from France.

Outside the North Atlantic Treaty Organisation, Britain's major customers are in the Middle East and South-east Asia. Since the Falklands conflict, sales have fallen in Latin America. Industrialists and official salesmen blame Britain's credit policies which are less generous than those of other suppliers.

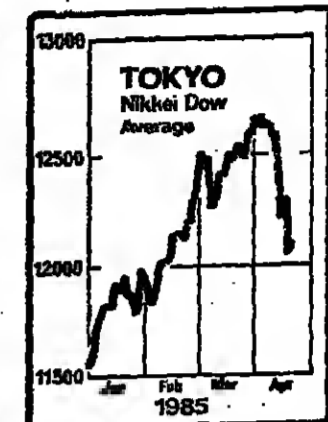
Mr Chandler, 45, is the first head of Defence Sales from British Aerospace, thought to be the largest single arms exporting company in Britain. His career started with de Havilland in 1955.

Before his present job, he was managing director of the Kingston/Brough division of the BAe aircraft group and presided over the largest-ever British defence deal with the U.S.—the joint manufacture of about 400 Harrier jets with McDonnell Douglas and sales of 300 Hawk trainers for the U.S. Navy.

THE LEX COLUMN

The pound in your profit

Index fell 12.7 to 978.8



fore—or at least of keeping the old guard safely out of sight.

Tokyo market

The Tokyo market has had a bumpy week. In Tuesday the Nikkei-Dow average recovered its steepest recent fall and, after only a day's respite, the slide resumed on Thursday. It is possible, but only just, to explain this month's four per cent fall in equity values in terms of changes in the fundamental outlook. The weaker dollar, coupled with fears of protectionism, has forced some downward revision of 1985-86 profit forecasts, while the failure of consumer spending to keep pace with the rise in disposable income is causing some concern in a country which is pursuing a remarkably accommodative monetary policy.

None of this, however, has much influenced foreign investors who by all accounts have been maintaining their positions in the Tokyo market. The selling pressure has emanated from domestic institutions and has been particularly marked in stocks which have enjoyed a speculative following. The pharmaceuticals sector has been buoyed up by talk of wonder new products—Factor X and the New Dream Cell—recently favoured— to leave many of the smaller companies on preposterous ratings. A fall in earnings during each of the last four years, stands on a middle of 275 times even after a halving of its share price. As James Capel points out in a study of the sector, if a small drug company like Green Cross were to be bought at the same market value as Beecham, it may be time to sell.

Base rates

Base rates may have to be forced up in unanticipated fashion, but to please the authorities their progress downwards must be controlled to the point of stalling. This is partly a result of the safety to be found in small numbers—if domestic interest rates fall fast enough to make sterling the currency of choice, foreign exchange speculators are selling, nobody would sell from cheaper money. But now the gradual approach must also look right from the point of view of funding; a Government with lots of stock to sell always prefers to do it on a rising gilt-edged market, and the teasing prospect of a little more to come off money rates is bound to be prolonged for as long as possible.

Bid defences

Booker McConnell's escape from the clutches of Dee Corporation extends a remarkable run of successful defences by incumbent management. In a year of heavy bid activity, no large company has so far succumbed to an offer without the



A great deal in futures.

GNI, the leading international futures brokers, are pleased to announce the formation of their Traded Options Desk.

Our specialist team provides advice and guidance in all aspects of options trading.

Not only do traded options offer high profit potential, they also guarantee strictly limited risk. It's no wonder that they are the fastest growing markets in the futures arena.

Send now for our free explanatory booklet and a copy of our latest recommendations.

To: JCM Graham, GNI, 3 Lloyd's Avenue, London, EC3N 3DS. Tel: 01-481 9827.
Telex: 884962. Prestel: page 48135. Please send me: ☐ An Introduction to Options
☐ The latest "Options Bulletin" ☐ Details on futures trading

Name _____
Address _____
Tel: Day/Eve _____
Telex: _____

First in Futures.

Reproduction of the contents of this newspaper in any manner is not permitted without prior consent of the publisher. Registered at the Post Office, Printed by G. Clements Press and published by The Financial Times Ltd, Brecken House, Cannon Street, London EC4A 3DF.